



# NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

## THESIS

### **PROSTITUTION AS A POSSIBLE FUNDING MECHANISM FOR TERRORISM**

by

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June 2010

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**PROSTITUTION AS A POSSIBLE FUNDING MECHANISM FOR TERRORISM**

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## **ABSTRACT**

An essential component of defeating terrorist is targeting their financing and fundraising mechanisms. Successfully targeting terrorist financing may disrupt an organization's existence, prevent an attack, or reduce the harm produced by an attack. As a result of these efforts, al Qaeda faces financial challenges they have not experienced in a decade.

Whether in response to these efforts, or as a deliberate strategic shift, terrorist organizations have been extremely adaptive and creative in adjusting their fundraising efforts; specifically turning to criminal enterprises. While there is still debate regarding the level of cooperation between criminal and terrorist organizations, it is generally agreed that terrorist organizations and their affiliates are increasingly relying on criminal enterprises to fund their operations.

This thesis will examine whether prostitution is funding terrorism, and if it is logical and reasonable to conclude that a highly adaptable terrorist organization would fund their operations using prostitution. Prostitution is a highly profitable business requiring no specialized skill set and very little cost to entry. The business opportunities are unlimited, and it is business that law enforcement, prosecutors, and the courts do not consider as a serious crime, but rather a harmless vice voluntarily entered into by all parties. A failure to seriously consider prostitution as a funding mechanism demonstrates a potentially fatal lack of imagination.

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## **ABBREVIATIONS AND ACRONYMS**

AID	Anti-Mafia Investigation Directorate (Italian)
BSA	Bank Secrecy Act
CTR	Currency Transaction Report
DNI	Director of National Intelligence
DST	Directorate of Territorial Security (French)
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FOPP	First Offender Prostitution Program
GFE	Girl Friend Experience
HAMC	Hells Angel Motorcycle Club
HBG	Holy Blood Gang
IRA	Irish Republican Army
IRS	Internal Revenue Service
LeT	Lashkar-e-Tayyiba
MOBB	Money Over Broke Bitches
MS-13	Mara Salvatrucha-13
MSB	Money Service Businesses
PRIDE	Program, for Re-Integration, Development and Empowerment
RCMP	Royal Canadian Mounted Police
SAGE	Standing Against Global Exploitation
SAR	Suspicious Activity Report
SFDA	San Francisco District Attorney
SFPD	San Francisco Police Department
STAR	Strengthening, Transition, and Recovery
TIP	Trafficking in Persons
TVPA	Trafficking Victims Protection Act

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## **I. INTRODUCTION**

### **A. MONEY**

The chopper took off at 8:55p.m., circled the field and then headed off towards Manhattan. Bill Gavin, the head of the FBI in New York, sat opposite Yousef, watching his blindfolded young charge. The Sikorsky followed the Hudson River towards the southern tip of Manhattan, and rounded the proud towers of the World Trade Center at a height of 600ft. Gavin leant forward and eased Yousef's blindfold away from his eyes. 'Look down there,' he said to Yousef, gesturing towards the twin towers. 'They're still standing.' Yousef squinted and looked out of the window. 'They wouldn't be, if I had had enough money and explosives,' he replied defiantly. (Reeve, 1999, p. 109)

It is now known that the 1993 World Trade Center attack cost approximately \$31,000; this money paid for bomb components, apartment rental, locker rental to store explosives, phone calls, plane fare, and cab and drivers license fees (Windrem & Haake, 2008). During the prosecution of Ramzi Yousef, direct testimony of Secret Service agent Brian Parr revealed that Yousef had told him that with more money, he would have put sodium cyanide into the bomb, thereby creating a chemical weapon (Parachini, 2000, p. 194). Yousef also informed agent Parr that the specific date of the attack resulted from the fact that they had run out of money and had to act (Parachini, 2000, p. 195).

### **B. FINANCING**

Defiance, determination, and more money ultimately led to success. The 9/11 Commission report concludes that the terrorist attack that successfully brought the towers down cost approximately \$500,000; however, the investigation failed to determine the source of the money (National Commission on Terrorist Attacks Upon the United States, 2002). Is it possible that revenues from prostitution were or could be used to fund such acts of terrorism?

## **C. PROSTITUTION**

Deborah Jeane Palfrey, otherwise known as the D.C. Madam, operated her D.C. prostitution business from her home in California. The business operated from 1993 until August 2006 under the corporate title Pamela Martin and Associates (United States of America, 2007). During that time, the women working for Pamela Martin and Associates engaged in prostitution, collecting \$250 per hour for their services (Duggan, 2008). The business generated more than two million dollars in income; more than 160 thousand dollars per year (United States of America, 2007). Ms. Palfrey recruited women by placing ads in local alternative newspapers and college publications. The women voluntarily came to Palfrey to work, answering the advertisements. Palfrey generated business by placing ads in telephone books and alternative newspapers in the Baltimore-Washington area. Among others, Palfrey's prostitutes included a college professor, Navy Officer, legal secretary, and medical researcher (ABC News, 2007). Counted among Palfrey's clients were current U.S. Senator David Vitter and former Deputy Secretary of State Randall Tobias (Duggan, 2008).

## **D. FAILURE OF IMAGINATION**

Perhaps the most cited finding of the 9/11 Commission Report is that the attacks resulted from a lack of imagination. On September 20, 2001, in his address to a joint session of Congress, President George W. Bush pledged to the American people, "We will starve the terrorists of funding . . ." (2001). This research involves imagination, the possibility that revenues generated from prostitution may be or easily could fund terrorist in their efforts to destabilize and terrorize our country.

## **E. PROBLEM STATEMENT**

Following the attacks of 9/11, President Bush stated in The National Security Strategy, "The United States will continue to work with our allies to disrupt the financing of terrorism. We will identify and block the sources of funding for terrorism, . . ."

(2002). Funding terrorism is a multi-faceted operation itself. Simply stated, however, it involves the raising of funds, the movement and storage of funds and finally the movement and use of funds.

Almost nine years after the attack, there is disagreement as to how successful our efforts at disrupting terrorist's fundraising have been. Some of the steps taken have been extremely successful, others have not. Some of the successes have created new problems and challenges. Economist Lorretta Napoleoni suggests that the within the sphere of addressing terrorism, it is terrorist financing that creates the most significant challenge (Napoleoni, 2007).

The challenge lies in the fact that the enemy, in this high stakes game of chess, is highly adaptable and skillful at reacting to our efforts to thwart their funding. The enemy's ability to think several moves beyond our current efforts means we are always playing catch-up. In the United States, prostitution is almost exclusively a criminal activity that is to a large extent overlooked as a socially harmless vice, voluntarily entered into by all parties.

Even though it is often overlooked, the problems presented by prostitution are very complex and more may ride on the answer to this problem than meets the eye. Prostitution may manifest into a homeland security issue that is currently below-the radar. Prostitution is a matter that cannot be simply given to law enforcement, or the courts, or social workers to be solved. It is impossible to determine that any given solution will work, and it is unlikely that any solution will eliminate the prostitution completely. The problem is transnational, knowing no jurisdictional boundaries. Combine this with a complex array of interrelationships and dwindling resources and this results in what Jeff Conklin, Ph.D., describes as a wicked problem (2006).

Even when our legal and law enforcement systems deal with prostitution, they do so in an inconsistent and less than serious manner. It is a crime that generates large sums of money with little risk. It is the perfect business enterprise.

Prostitution is a time tested stalwart, included in a diverse portfolio used by virtually every transnational organized crime entity, criminal gang, and drug-trafficking organization to fund their operations. Is it logical or reasonable to conclude that highly adaptable terrorist organizations would likewise fund their operations using prostitution? Asking this question of local, state, and federal law enforcement officials universally led to the answer of we do not know and we are not sure anyone has ever considered or seriously looked at the possibility. According to one senior law enforcement official, “The money mechanisms being used to aid terrorism are limited only by your imagination” (U.S. Drug Ring Tied to Aid for Hezbollah, 2002).

Consequently, there is a need for policy makers, intelligence gatherers, and law enforcement members to consider what the future of terrorist financing might look like. What business models would be attractive because they are able to raise significant funds with little risk? Which business models might take advantage of political and cultural blind-spots and allow terrorist fundraising right before our eyes, literally hiding in plain sight?

## **F. RESEARCH QUESTIONS**

Is the activity of prostitution a business model that could reasonably and logically be used to fund terrorist organizations and operations, be they al Qaeda core, al Qaeda affiliates, or al Qaeda inspired homegrown individuals?

If the business model of prostitution proves reasonably and logically conducive and favorable for financing terrorist activities, what steps or policies should be implemented to reduce the ability to raise funds from prostitution?

If it is determined that prostitution is not a homeland security concern but merely a criminal concern, are there any policy changes that should be made?

## **G. SIGNIFICANCE OF STUDY**

Terrorist organizations are highly adaptive and innovative. They study us at least as much as we study them. Since 9/11, reacting to our efforts to strike at their funding, they have altered the manner in which they raise funds to support operational, as well as logistical needs.

Have we likewise adapted to their countermoves? While this is preliminary research and will require further study and consideration, it does suggest a below-the-radar, emergent business model for raising terrorist funds. Use of this model seemingly could exploit blind spots and gaps in our current system; an approach that a creative and adaptive enemy could easily exploit. Rather than relying on reactive measures such as freezing assets, identifying prostitution as an emergent fundraising activity will result in a preventative, proactive approach to thwarting terrorist financing.

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## **II. METHODOLOGY**

The research for this thesis is divided into two components. The first step involved a study of the field of terrorist financing. Terrorist financing can generally be broken down into four areas: raising money, moving money, storing money, and using money. The first part of this thesis focuses on analyzing how funds are raised, looking at both pre 9/11 and post-9/11 efforts. Once a template was established for successful fundraising, the focus of the research shifted to an analysis of the business of prostitution.

Developing a business profile of the enterprise of prostitution in the United States created what will serve as the case study. Once a profile of prostitution in the United States was developed, a comparison of what makes prostitution work was applied to our template of what makes a successful terrorist fund-raising enterprise.

Overlaying the business of prostitution with the template of terrorist fundraising, a coherence theory of truth was applied; namely, that a belief is true when we are able to incorporate our observations in a reasonable, logical, and orderly manner. Is it reasonable and logical that prostitution could be used to fund terrorist activities? If indeed this is a reasonable and logical conclusion, then reducing prostitution should be a part of our policy.

Several alternative solutions for reducing the levels of prostitution are presented, ultimately leading to a systems policy approach.

### **A. LIMITATIONS**

Generally speaking, terrorist financing can be broken down into four distinct phases. The first phase includes raising the funds needed to operate and survive. The second phase involves moving those funds to a destination where they are available for use. The third phase deals with storage of the funds in a manner that makes them invisible to detection. The final phase includes moving them from storage to either operational or logistical use. While all four phases are important, this research is focused on the first phase, how the funds are raised and the sources of those funds.

Despite much of the research and debate over the nature and extent of the criminal-terrorist link, there is still a gap between intelligence and research (Rollins, Wyler, & Rosen, 2010). This gap makes it difficult to predict where and how these organizations may turn in the future to raise funds. But, this gap also presents opportunity.

Likewise, prostitution is a field that provides plenty of challenges to research and data collection. The illicit nature and stigmatization of prostitution make collecting data difficult. Stigmatizing behavior, when it is the subject of study and survey, often leads to inflated or marginalized responses (Levitt & Dubner, 2009). Furthermore, when it is collected, it is usually in the context of a rehabilitation center or a shelter; while this does not necessarily mean the data is invalid, it does raise questions as to the impartiality of any responses or information (Levitt & Dubner, 2009). Responses may be skewed towards what the respondent believes those providing aid or assistance wish to hear. Finally, Bales observes that as a result of the controversial nature of prostitution, many researchers simply choose less contentious fields of study rather than get mired in the political and moral machinations of the issue (2005). Those who do choose to study the enterprise are sometimes more susceptible to extremes on either side of the issues, resulting in data that may be less reliable (Weitzer, 2005).

The U.S. State Department asserts that prostitution and trafficking in persons (TIP) are inextricably linked. Most recently, in its 2008 TIP Report to Congress, the State Department states, “sex trafficking would not exist without the demand for commercial sex flourishing around the world” and that prostitution and any related activities “should not be regulated as a legitimate form of work for any human being” (U.S. Department of State, 2008). The United States has adopted a strong position against prostitution:

The United States Government opposes prostitution and any related activities, including pimping, pandering, or maintaining brothels as contributing to the phenomenon of trafficking in persons, and maintains that these activities should not be regulated as a legitimate form of work for any human being. Those who patronize the commercial sex industry form a demand which traffickers seek to satisfy. (U.S. Department of State, 2008)



Thus, while the position of the U.S. government as stated here is that prostitution and sex trafficking are inextricably linked, this study will look at prostitution and not necessarily sex-trafficking. It is possible that some of the cases of prostitution reviewed here involve sex-trafficking, some of them may not. Just as this study will not debate the legality or morality of prostitution, is it not concerned with the voluntariness with which the actors engaged in the act. Rather, the central question is this: is prostitution, in all its forms, an enterprise that is or could reasonably and logically be funding terrorist activities?

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### **III. LITERATURE REVIEW**

The literature reviewed for this thesis can be broken down into two distinct inquiries. The first inquiry studies the growth and development associated with terrorism financing, particularly since September 11, 2001. The second inquiry examines some of the characteristics of prostitution, particularly in the United States. Much of the research related to terrorist financing is a direct result of September 11. While the literature suggests a growing reliance on criminal activities, little is focused on prostitution as one of those crimes. As one of the oldest professions, prostitution literature is abundant; however, much of that body of work focuses on the morality and legality of prostitution. What is notable about the literature in both fields of study is that it almost never seems to consider or imagine the possibility that prostitution could be a funding source for terrorism.

#### **A. FINANCING TERRORISM**

When asked how to defeat al Qaeda, Bruce Hoffman continues to include as part of a comprehensive strategy the targeting of their financing and fundraising (2010, p. 5). This continues to be a common theme within this field of study, namely that vigilance in the pursuit of the sources supporting terrorist organizations is an essential component of counter-terrorism efforts (Costigan & Gold, 2007, p. 4). Locating sources, tracking movement, and limiting resources are beneficial in two respects. The most obvious benefit is that it may prevent an attack or disrupt an organizations existence. Perhaps less obvious, though just as beneficial is that it may reduce the harm and impact of those attacks that are not prevented (Biersteker & Eckert, 2008, p. 1).

While this may seem simple, the current state of al-Qaeda is a highly adaptive, flexible, loosely connected network of homegrown, self-funded entities operating under the ideological inspiration provided by al Qaeda (Napoleoni, 2007). Some have referred to this business model as the virtual office (Hoffman, 2010, pp. 1–2); however, this does not mean that al-Qaeda is impotent or toothless. As Bruce Hoffman points out and recent events still demonstrate, al Qaeda continues to provide inspiration, intelligence, training,

and equipment to decentralized networks and franchises operating world-wide (2010, p. 3). Napoleoni refers to this as the privatization of terrorist financing (2007, p. 19).

The ability to determine sources of income and track the movement of this money may be one of the most important tools for penetrating terrorist organizations and ultimately defeating them. This is even more important when developing a strategy for dealing with al Qaeda, which is not dependent on state sponsorship (Howard, 2007).

From late 1990s through 2006, al Qaeda relied heavily on donations from charitable organizations, as well as wealthy, sympathetic individual Saudi and Arab donors (Vardi, 2010). In addition to charitable organizations and wealthy individuals, funding for terrorists has also originated from state sponsors, legitimate businesses, as well as criminal enterprises (Shapiro, 2005). Michael Hess also describes how diaspora communities may be participating, both knowingly and unknowingly, in the funding of terrorism (Hess, 2007, pp. 52–56).

Diaspora support of non-governmental and humanitarian agencies are crucial in conflict zones where often times the government is unable to provide even basic amenities. As Hess points out, in these complicated situations, humanitarian remittances from diaspora communities may also improve circumstances and assist terrorists as well (2007, p. 51). Another dilemma often created in these conflict zones is the collapse of the state banking system. Specialized travel agencies may arise providing banking services, filling the vacuum left by collapsed banking system (Hess, 2007, p. 57). Prime examples of this include Kosovo, Serbia-Montenegro, and Bosnia during the 1990s (Hess, 2007). These travel agencies, while serving the legitimate needs of ethnic diaspora communities, wereinvolved in large scale money exchange and transfers (Hess, 2007). With such a diversified approach to fundraising, it would seem that terrorists would have an unlimited source of revenues.

Nevertheless, according to Assistant Secretary of Treasury, Terrorist Financing, David Cohen, as a result of world-wide crack downs on their finances, al Qaeda today is more financially desperate than it has been in a decade (Vardi, 2010). As stated by Stuart Levey, Undersecretary of the Treasury, Terrorism and Financial Intelligence, “They need

money, and they are now under financial stress” (Vardi, 2010). The current financial state of al Qaeda is the result of both national and international efforts.

## **1. Counterfinancing Efforts**

U.S. counter-financing efforts began September 24, 2001 with Executive Order 13224 allowing for the freezing of terrorists’ assets. These efforts have also included the enhancement of the Bank Secrecy Act (BSA). The keystone of U.S. money laundering efforts traces back to 1970 and is codified at 31 U.S.C. 1051 *et seq.* and is known as the BSA. Prior to 9/11, the focus of the BSA was disrupting the laundering of large sums of money generated by drug-trafficking and other financial crimes (Biersteker & Eckert, 2008, pp. 210–211). Tools that are a part of the BSA include: requiring financial institutions to file currency transaction reports (CTRs) when threshold limits have been hit during a cash transaction; requiring the filing of a U.S. Customs Form 4790 (CMIR reports), requiring financial institutions to file suspicious activity reports (SARs). Following 9/11, and in conjunction with the PATRIOT Act, the CTR and SAR requirements expanded to include the full range of money service businesses (MSBs) doing business, such as check cashers and other entities wiring money (Biersteker & Eckert, 2008, pp. 211, 216).

Some of the international efforts include United Nations Security Council Resolution 1373 requiring all 191 member states to suppress the financing of terrorism; including the criminalization active and passive support for terrorists prior to an act of terror and freezing of assets (Biersteker & Eckert, 2008, p. 236). Likewise, the Financial Action Task Force (FATF), an intergovernmental entity created by the G-7 in 1989 to deal with international money laundering, promulgated “Special Recommendations on Terrorist Financing” (Biersteker & Eckert, 2008, pp. 239–240). The FATF have also led to the development of seven regional FATFs designated as FSRBs, allowing for sharing of successful counter-terrorist financing methods (Biersteker & Eckert, 2008, p. 240). Finally, both the World Bank (WB) and International Monetary Fund (IMF) have developed plans for countering money laundering and terrorist financing (Biersteker & Eckert, 2008, pp. 241–242).

Some argue that as a result of various national and international efforts, al Qaeda and affiliates have had to further decentralize their financing methods; this has led to self-financing through criminal activities (Gunaratna, 2008, pp. 57–58). While many attribute this decentralized, networked, franchisee model to counter-terrorism efforts taken by the West, Hoffman argues that al-Qaeda leadership realizes that a networked al Qaeda, including their fundraising operations, is more of a challenge for the West and that this is a deliberately adapted business model (Hoffman, 2010, p. 12).

Thus, al Qaeda, whether by design or force, is not a monolith; it is neither a strict hierarchy nor solely an uncontrollable network of affiliates. Al Qaeda can be, may become, or appear to be, whatever it needs in order to survive. Thus, while some have referred to it as being acephalous, or starfish like (Brafman & Beckstrom, 2006), a more appropriate reference may be that of a cephalopod or octopus, one of nature's masters of deception and capable of hiding in plain sight. While hiding in plain sight, al Qaeda continues to reach its tentacles across the globe, across every border. But what does that mean for fundraising for the organization?

## **2. Criminal Enterprise as Funding Mechanism**

Whether as a responsive reaction to Western efforts or a deliberate strategic shift, terrorist organizations have proven extremely adaptive and creative in adjusting their fundraising efforts. It is generally agreed upon that terrorist organizations are increasingly turning to criminal activities to fund their needs (Rollins, Wyler, & Rosen, 2010). Napoleoni estimates that the bulk, two-thirds of terror financing, is generated from criminal activities (2007, p. 14).

Desperate for funds, and experiencing difficulty in subsidizing the franchisees, the global network and affiliates are increasingly relying on crime to fund their operations (Vardi, 2010). Ehrenfeld claims that most terrorist groups incorporate criminal activities into their fund raising schemes, arguing that drug trafficking is the largest criminal enterprise used by terrorist to raise funds (2007, p. 27). She also acknowledges that funding comes from a vast portfolio of criminal activities, including prostitution rings (Ehrenfeld, 2007, p. 28).

Furthermore, fundraising is not limited to criminal activities; legitimate businesses also serve as fronts to cover for their illegal activities, with cash-and-carry businesses being most desirable (Ehrenfeld, 2007, p. 39). Travel agencies are an example of legitimate businesses that may be helping assist in terrorist funding (Hess, 2007, p. 57). Another legitimate business enterprise generating large sums of cash, which law enforcement recognizes as attractive for money laundering are the taxi businesses (Shelley, 2006, p. 208).

During a Technology, Entertainment and Design (TED) talk, Napoleoni reminds the audience of the Irish Republican Army's use of black taxis to generate funds; as she notes, anytime anyone got in a taxi cab, they were funding the IRA (2009). While terrorist organizations are increasingly turning to criminal activity for fundraising, there is vigorous debate as to the amount of cooperation or the level of "nexus" between terrorist entities and criminal organizations.

### **3. Crime-Terror Relationship**

Louise Shelley argues that there exists a very strong nexus between crime and terror. According to Shelley, the failure to recognize this relationship is a conceptual defect contributing to the failure of our counter terrorism efforts (2006, p. 212). Shelley believes we must do a better job of identifying the existence of intersections and interactions between terrorists and criminals.

Consistent with this argument is the claim that the working relationships between terrorists and criminals are much deeper and diverse than originally understood by law enforcement and intelligence agencies (Picarelli, 2005, p. 2). Those supporting this position argue that these links are complex and networked, involving a wide range of criminal activity raising in excess of a trillion dollars a year in support of terrorist activities (Ehrenfeld, 2007). Napoleoni estimates the dollar volume to be 1.5 trillion dollars (2004).

While there is large support for the existence of this nexus, there are others who are not as convinced. Those questioning this nexus do not argue that terrorists are not engaging in criminal behavior, rather they argue that there is a lack of strong empirical

evidence that organized crime and terrorist organizations are collaborating in sustained and ongoing arrangements (Williams, 2008). Whether by design or as a result of counter-terrorism efforts, the result lends itself to, as Williams describes it, a “do-it-yourself” organized crime or criminal enterprise model (2008, p. 130). Currently, Williams sees organized crime as an activity available to any entity, criminal, or terrorist for generating funds. Thus whether hierarchical or networked, criminal, or terrorist, an adaptive organization may engage in criminal activity when it suits its purpose.

Perhaps both sides are correct. As Director of National Intelligence (DNI), Blair recently briefed during his Annual Threat Assessment of the U.S. Intelligence Community:

Terrorist and insurgents are increasingly turning to crime to generate funding and will acquire logistical support from criminals . . . , in part because of US and Western success in attacking other sources of funding. Terrorists and insurgents prefer to conduct criminal activities themselves; when they cannot do so, they turn to outside individuals and criminal service providers. (Blair, 2010)

Thus, DNI Blair’s testimony is actually consistent with both perspectives. Looking forward, DNI Blair warned that this nexus presents continuing dangers. Similarly, Shelley argues that we are not paying enough attention to these connections (2006).

Diaspora communities and their financial contributions to terrorist organizations is another area that some writers believe is not garnering enough attention. Nearly autonomous, self-funding, home grown terrorist cells conducting attacks in Spain and England suggest they may be right (Gunaratna, 2008, p. 56). Virtually every terrorist group or network benefits from the moral support, if not the financial support, of sympathetic diaspora communities in Europe and North America (Hess, 2007, p. 52).

While warning not to throw the baby out with the bath water, Michael Hess highlights the importance of paying attention to diaspora fundraising supporting terrorist organizations (2007). This is an important admonition as diaspora communities have the ability to generate funds from both legal and illegal sources. Nevertheless, such focus



may help prevent specific acts and may minimize the impact of a given event by hindering preparations. (Hess, 2007, p. 49). Even when the sources and intentions of diaspora fundraising are legal or well intended, the funds may unwittingly be used or funneled to terrorist purposes (Hess, 2007, p. 57). As with any other source of funding, the use of illegal sources is meant to circumvent and avoid exposure to financial oversight measures.

Citing diaspora communities supporting both the Tamil Tigers and Hezbollah, Phil Williams notes that criminal activities from diaspora can provide significant funding to terrorist organizations (2008, p. 140). Such criminal activities include car theft, credit card fraud, and cigarette trafficking. Royal Canadian Mounted Police have identified Tamil street gangs in England and Canada that engage in credit card fraud activities to support terrorist enterprises (Williams, 2008, pp. 139–141).

Referencing the 2004 Madrid train bombing, Hess also highlights the linkage between terrorism, crime and diaspora communities. From his perspective, this confirms the possibility that radicalized second and third generation members of diaspora communities are potential fundraisers if not flat out terrorist threats (Hess, 2007, p. 60). He argues for properly directing law enforcement and intelligence attention at the sources and methods of movement related to diaspora based fundraising. Such attention could be a powerful preventative tool (Hess, 2007, p. 62). The examples provided by Williams also argue for such a strategy (2008).

By evolving into the privatized, homegrown, decentralized business model identified by Williams, Napoleoni, Hoffman, and others, these terrorist entities are increasingly allowed to pick their targets, strategies, and funding mechanisms (Vardi, 2010). The al Qaeda network, whether a franchisee or merely ideologically inspired, are encouraged to mix and match methods, approaches, means, and modes to operating and fundraising (Hoffman, 2004).

The most pervasive trend identified as they continue to evolve is the increasing involvement and appropriation of criminal enterprises by terrorist organizations. This increased appropriation in criminal activity, leads to a second trend, namely the increased

level of cooperation between terrorist organizations and criminal organizations. Again, whether this is most appropriately identified as a nexus or something less may not be as important as acknowledging and studying the trend. According to Williams, the most dangerous trend is the transformation from criminal enterprise to terrorist organization, most recently demonstrated by the Madrid train bombings (Williams, 2008, p. 143).

The coordinated Madrid train bombings in 2004 killed 191 individuals and injured more than 1500 others (Williams, 2008, p. 126). Spanish investigators determined that Jamal Ahmidan and his drug trafficking organization, financed, provided technical and logistical expertise, and ultimately carried out this terrorist attack (Williams, 2008, pp. 143–145). There was no outside source of money involved here; the resources for this event came from the sale of drugs (Williams, 2008, p. 144). Williams believes that the transformation and radicalization from criminal into terrorists increases the capacity of terrorists to conduct large scale attacks and mitigates governments counter-financing efforts (Williams, 2008, p. 145). The Madrid bombings, self-funded by drug-trafficking, revealed no evidence or financial trail capable of being tracked by financial investigators. Nevertheless, in tackling all three of these trends, one of the pillars of our strategy to defeat al Qaeda remains the targeting of their financing and fundraising (Hoffman, 2010, p. 5).

This is not to suggest that by attacking terrorists' financing we will entirely eliminate the risk any more than we could ever entirely eliminate an activity such as prostitution; however, as Levi writes, it is self-evident that reducing the resources available to terrorist, limits the scale of damage they can generate (2008). Furthermore, the more terrorist entities are pushed into criminal activities, the more likely law enforcement of intelligence agencies will discover their trail (Levi, 2008, p. 277).

Consistent with Levi's and others premise that engaging in criminal activity may increase exposure to law enforcement, Picarelli suggests a division of purpose and uses for funds depending on the origin of the money.

He suggests that the day-to-day funds required for sustainment are more likely to come from criminal activity. The operational funds to support an actual mission are less likely to come from criminal activity for fear that mixing criminal activity and operational nodes may bring the unwanted eyes of law enforcement, thereby jeopardizing the mission (Picarelli, 2005, p. 16). This concern, related to operational security and the need for anonymity is mentioned frequently by those suggesting that terrorist organizations and criminal organizations are not inclined to work together or that terrorist organizations may be less inclined to engage in criminal behavior to support the cause.

Picarelli's concept of separate funding sources, criminal for operating cost and non-criminal sources for operational sources, suggests a more hierarchical structure of a terrorist organization (Picarelli, 2005). A more hierarchical structure is also consistent with the principal and agent relationship involved in a terrorist organization between leadership and financiers (Shapiro, 2005). This principal-agent relationship creates vulnerability for a hierarchical organization in that the agent/financier is able to skim funds or deviate from the mission in ways that threaten the organization. Shapiro also believes that financiers in an organization tend to be less ideologically committed to the cause. This in turn supports Picarelli's observation that terrorist organizations tend to separate operating cost/criminal fundraising efforts from those operational/mission related fundraising efforts for security purposes. Thus, for several different reasons, financiers and the enterprises they choose for fundraising become a possible vulnerability that may be exploited by law enforcement and intelligence communities.

However, the concepts expressed here may not be applicable to the do-it-yourself organized crime that has become an increasingly significant source of terrorist fundraising (Williams, 2008, p. 130). This do-it-yourself organized crime suggested by Williams also seems to be more conducive for homegrown or diaspora cells operating within the United States (Williams, 2008). These homegrown cells may not be as hierarchical or have the same divisions of labor whereby operators necessarily are separate from fundraisers.

This suggests that the vulnerabilities created by the principal-agent relationship in a more hierarchical organization via fundraising, particularly through crime, might be even greater in a more homegrown or local terrorist cell. This increased risk flows from the more direct interaction between leadership and financier (possibly the same person) combined with a flatter distribution of duties (O’Neil, 2007). Another challenge or obstacle facing a terrorist organization engaging in criminal activity is the skill level required for participation; the greater the skill level required, the greater the likelihood of exposure to law enforcement and intelligence agencies (Williams, 2008, p. 138).

Not only might those raising funds through criminal activity be more visible to law enforcement and intelligence efforts, but those actually engaged in financing may bring increased risk to the cause if they are less ideologically committed. For a more hierarchical structure, these potential vulnerabilities may cut both ways. From the perspective of the terrorist, a less ideologically committed fundraiser may not care what the source of the funds are and not be bothered in the least by engaging in drug trafficking, theft, or prostitution. Also from the perspective of the terrorist, these financiers can do the “dirty work” so-to-speak, while the leadership maintains an ideologically pure persona.

As the literature demonstrates, the level of cooperation between criminal and terrorist organizations is still an area of much debate. However, consensus exists that terrorist organizations are increasingly turning to criminal activities to financially support their efforts. Furthermore, recent literature and events suggest that cooperation between criminal and terrorist organizations may not be necessary. This may be particularly true given the recent increase of homegrown radicalization. These individuals or small cells may be able to fund their own needs through criminal activity. Self-funding criminal activity, if the proper business model is used, allows terrorist organizations to circumvent the main obstacle put forward by those who believe that cooperation is unlikely; namely, that the alliances and attention brought about by criminal activity would jeopardize the operational security of an organization.

Finally, it is routinely mentioned that criminal activity, if it is not already the major source of terrorist financing, is most definitely trending that way. Without question the drug trade and drug trafficking inevitably are discussed (Ehrenfeld, 2007). Drug trafficking also served as the means of funding for the Madrid train bombings in 2004 (Williams, 2008). In addition, many researchers reference the following as sources of funding:

- Credit card fraud (Napoleoni, 2007, pp. 17–18),
- Pirated video CDs (Williams, 2008, p. 137),
- Counterfeit goods of any kind, baby formula, and cigarette fraud (deKieffer, 2008),
- Diamond and gold trafficking (Farah, 2008, pp. 193–202),
- Stored value cards (Passas & Maimbo, 2008, pp. 183–184),
- Robbery (Levi, 2008, p. 275) and human trafficking (Williams, 2008, p. 139).

In assessing which of these criminal enterprises may be best suited for their fundraising needs, Picarelli suggests that terrorists make their decisions by weighing the following criteria:

1. Capabilities and specialized skills required to engage in enterprise,
2. Barriers and cost of entering the business, and
3. Business market and opportunities for the criminal enterprise (Picarelli, 2005, pp. 8–10).

The less expertise required for a specific criminal enterprise, the more appealing it becomes. Barriers and cost of entry may include both financial and non-financial considerations. High levels of law enforcement focus and competition from competing criminal enterprises, both of which exist in the drug trafficking business, may suggest to terrorist financier to engage in another activity. Finally, what kind of market exists for each of the criminal enterprises, how significant is the demand for the product being offered (Picarelli, 2005).

#### **4. Summary**

Noticeably absent from almost any discussion on the crimes and criminal enterprises that are, or could be, utilized for terrorist financing, is prostitution. In a review of international terrorism and transnational crime, the Congressional Research Service does not identify prostitution as being in the crime-terrorism toolbox for fundraising (Rollins, Wyler, & Rosen, 2010). In a study looking at terrorist precursor crimes, prostitution is not an enterprise that has been identified (O'Neil, 2007). There is no discussion or analysis of prostitution in another study looking at crimes committed by terrorist groups (Hamm, 2005). Is the link not there, or as Louise Shelley might argue, are we not seeing it?

Not only is defeating current funding mechanisms important, but so is predicting the next adaptive tack taken by the terrorist as they react to our moves (Napoleoni, 2007, pp. 13, 23). Bin Laden has acted as a venture capitalist before, seeking creative, out-of-the-box thinking and ideas and funding those proposals he finds promising (Hoffman, 2004, p. 2). We must be able to predict the next creative idea.

#### **B. PROSTITUTION RESEARCH**

Prostitution is a business model operating under a simple principle: men want and desire more sex than they are able to get for free. Economically speaking, the behavior is a supply of women who, for a price, will meet this demand (Levitt & Dubner, 2009). Cognizant of the fact that prostitution is about economics and business principles, researcher Kevin Bales recommends economists and business analyst become involved in the research in order to successfully disrupt the flow of people, drugs, and guns funding international criminal organizations (2005, p. 108).

Consistent with Bale's recommendation to use economics as a successful weapon against prostitution and joining economists Levitt and Dubner in studying this topic, is former investment banker and business executive Siddharth Kara. Kara's studies suggest that one of the reasons for the proliferation of the sex industry is that those engaged in running the business understand that the risk of being prosecuted or convicted is

negligible (2009). Furthermore, even if those profiting from the sex-business are convicted, the penalties are not enough to offset the economic benefits (Kara, 2009, p. 205). This research is confirmed by Amy O'Neill Richard, who finds the profits are great with fewer risks than other crimes because of a significantly lower rate of convictions and penalties that are not as severe (Richard, 2000, p. 33). As a Boston Police Department detective commented, a common observation among law enforcement across the country is, "Gangs used to sell drugs," . . . "Now many of them have shifted to selling girls because it's just as lucrative but far less risky" (Urbina, 2009, p. 2).

Not surprisingly, Kara, much like those studying terrorist financing, suggest policies that increase the cost of doing business and reduce the demand of consumers (2009). Extrapolating from his studies, the two most critical recommendations for reducing demand is to raise the costs of being caught combined with shortening the duration of time that women are engaged in prostitution (Kara, 2009, p. 215). Levitt and Dunbar, supporting Kara's argument, likewise argue that if the government really wanted to address prostitution, they would go after the demand. Their solution, more tongue in cheek, is that if men convicted of hiring a prostitute were sentenced to castration, the market would contract in a hurry (Levitt & Dubner, 2009, p. 25). Despite the jocularity, they make the same point as Kara; the need to increase the cost of business and the need to reduce demand.

While viewing prostitution through the lens of business and economics may seem to provide policy prescriptions, implementation is sometimes more difficult. For example prostitution is routinely viewed through a sociological lens. Thus it is treated as a social problem with all the politics and controversy normally associated with like social problems (Bales, 2005, p. 91). In the United States, politics, economics, and controversy generally do not mix well (Levitt & Dubner, 2009).

## **1. Individual Entrepreneurs**

Prostitution is a profitable enterprise engaged in by a wide variety of individuals, regardless of their socioeconomic level. Sole-proprietor pimps managing street prostitution in Chicago are likely to supplement the income from their "regular" job with

the income brought in by managing prostitutes (Levitt & Dubner, 2009, p. 40). Their most important job function appears to be coming to an informal agreement with law enforcement; pimps agree to keep prostitution out of sight and in exchange law enforcement agrees not to arrest the pimps or the prostitutes (Levitt & Dubner, 2009). This may be called corruption by some, and economists identify it as a principal-agent problem. The police chief, as principal wants the laws enforced, but the officer on the street, as agent, has other priorities (Levitt & Dubner, 2009, p. 41). Free from the risk of arrest, these sole proprietor pimps report earning \$50,000 per year (Levitt & Dubner, 2009, p. 40).

Pimps in Las Vegas demonstrate that there is no one way to manage the business. For example, one method is the bait-switch-hook pimp. Looking for women with low self-esteem, the pimp recruits and manipulates her into becoming a prostitute. He sells her on a dream and a relationship based on love. The false dream is that once they have made enough money, the two of them, pimp and prostitute can leave that world and live their dream. Then he turns the table, and she is now just part of the stable of women prostituting for profit (Farley, 2007, pp. 59–70).

Another approach is what Farley describes as the long-term groom. The pimp is on the look-out for intelligent women who seem disenfranchised or who seemingly have had the deck stacked against them. He recruits hard working women, managing multiple jobs to pay for school while possibly supporting a dependent at home. He screens out women addicted to drugs, alcohol, or who are promiscuous; they create too much of a risk. Empathetic to their situation, he is a big brother, financial consultant, and confidante all rolled into one. He presents them with a business plan, investing their money and providing a monthly budget. In five years, they will earn their degrees, have no bills, and money in the bank (Farley, 2007, pp. 70–75).

The final approach described by Farley in Las Vegas, though transferrable to any other city, is that of the trafficker. This individual flat out buys young vulnerable women. He is looking for young women with no appreciable skills whatsoever. This pimp is adept at taking advantage of marginal parent-child relationships and has a keen eye for runaways, who are also vulnerable to this form of pimping. Once bought, the pimp owns



them. For these women, all money collected goes straight to the pimp. His goal is to keep the women in a state of degradation; otherwise they might realize they are human beings, and realize the situation is not right (Farley, 2007, pp. 75–84). Moving up the social strata and into another realm of the business, the next stop is the nation’s capital.

Recall the D.C. Madam, operating her Washington D.C. prostitution business from her home in California. She conducted her business over 13 years generating more than two million dollars over that time period; more than 160 thousand dollars per year. (United States of America, 2007, p. 5). The women working for the Madam responded voluntarily to advertisements in the newspapers. Once they passed an audition with a long time client, they were hired, collecting \$250–\$300 per hour (Duggan, 2008; United States of America, 2007). Moving up the strata again, we visit an elite escort service operating out of New York City.

Cecil Suwal and Mark Brenner ran the prostitution business known as the Emperor’s Club VIP. This was a high priced escort service that operated between 2004 and 2008 in New York City. During this four year period, it is believed their prostitution business generated more than one million dollars (United States of America, 2008). Clients, including New York Governor Elliot Spitzer, paid anywhere from \$1,000 to \$5,500 per hour for sex with one of the firm’s approximately 50 prostitutes (United States of America, 2008; CNN, 2008 ). The firm serviced clients in New York, Washington D.C., Los Angeles, Miami, London, Paris (United States of America, 2008; CNN, 2008). More than a million dollars cash was seized from the home of Suwal and Brenner at the time of their arrest (CNN, 2008).

## **2. Street Gangs**

Money Over Broke Bitches, MOBB for short, is a Seattle gang (Green, 2009a). Prosecutors convicted several members of this gang including DeShawn “Cash Money” Clark, one of the gang’s pimps, for promoting a human trafficking ring and prostitution operation involving girls and young women. The trial of “Cash Money” provides insights into how the MOBB conducted their fundraising enterprise.

Testimony from a co-defendant indicated that the MOBB looked to recruit girls who were insecure; the goal then became to sell them on a dream, “You sweet talk her. Just say romantic things like you love her, you care for her, you will be there for her” (Green, 2009b). Once these unsuspecting girls and young women buy into this dream, “You switch it up on her. When she gets to the point she feels she can’t live without you, you stop the sweet talking and say, ‘You’re going to do this and this and this,’ and she’ll do it because she loves you” (Green, 2009b). Once recruited for their prostitution ring, the MOBB kept their girls in line with insults, threats, and violence. When asked if the girls were property or a person, Cash Money’s co-defendant answered “more like property” (Green, 2009b).

In addition to the MOBB, several other street gangs warrant mention. A recent interview with a Minneapolis law enforcement official notes that as Somali street gangs continue to evolve, they are increasingly turning to criminal enterprises. These enterprises, generating significant revenues, include prostitution and drug distribution (Mulligan, 2009, p. 78). As to whether or not these Somali gangs, as they continue to evolve, represent a threat linked to terrorism, an Ohio law enforcement officer indicated they could be a “good or bad thing for [jihadist] recruitment” (Mulligan, 2009, p. 78).

Mulligan indicated that this same Ohio law enforcement officer suggested that the violent energies exhibited by the street gangs could be channeled towards jihad by a savvy recruiter (Mulligan, 2009, p. 78). The gang member is not condemned, but rather treated as someone having temporarily lost their way, with jihad as a honorable means of redemption (Mulligan, 2009). However, the Minneapolis law enforcement officer noted that the individuals radicalizing to jihad operated at a higher ideological level than their counterparts in the street gangs. The gang members’ sole interest revolved around making money and living like a gangster, thus making recruitment less likely (Mulligan, 2009, p. 79).

Minneapolis is not the only city experiencing Somali street gangs’ involvement in prostitution. In San Diego, the Holy Blood Gang (HBG) and the Mission Clique diversify their portfolio into multiple criminal enterprises for profit. These enterprises include prostitution, drug, trafficking, resale of baby formula and food stamp fraud

(National Drug Intelligence Center, 2009). More organized and networked than the local street gangs, transnational criminal gangs also participate as purveyors of prostitution.

### **3. Transnational Criminal Gangs**

Mara Salvatrucha (MS-13) is a transnational criminal organization with membership in the United States estimated to be between 10,000 and 20,000 gang members (Franco, 2008; Bruneau, 2005). MS-13 is just one of many maras, or criminal gangs with ties to Central America. These criminal gangs, including MS-13, may count almost 100,000 members in our hemisphere (Bruneau, 2005, p. 2). MS-13 has members in 42 states and the District of Columbia (Gray, 2009). Some have called it the most dangerous gang in America (Campo-Flores, 2005). One of the defining criminal activities that make up part of their portfolio is the prostitution business (Bruneau, 2005). Members of MS-13 have been identified as running prostitution operations in Newark, New Jersey; Charlotte, North Carolina; and Richmond, Virginia (Castro, 2005).

Females may join MS-13 through the process of being “sexed-in.” This entails having sex with 13 members of the gang (Castro, 2005). Once in the gang, as with others, they contribute to the success of the gang by engaging in criminal activity. One such activity may include prostitution.

Another transnational criminal gang in the business of prostitution is the Hells Angel Motorcycle Club (HAMC); in addition to operating in the United States, they also conduct business throughout Canada. HAMC, well known for their involvement in escort services, are also becoming entrenched in Quebec’s legitimate construction and auto businesses (Dawson, 2009, p. 64). The next business model that finds prostitution profitable is transnational organized crime groups.

### **4. Transnational Organized Crime**

Albanian organized crime groups are active players in the transnational prostitution business. Also included in their business portfolio is cigarette smuggling and drug smuggling. The Albanians have been identified as one of the sex trade’s dominant

forces since 1997 (Gjoni, 2004). The Italian Anti-Mafia Investigation Directorate (AID) confirms Albanian organized crime's heavy involvement in prostitution.

AID reports on the close relationship forged by Albanian and Italian organized crime groups (Gjoni, 2004). Not limited to the European continent, Albanian organized crime has grabbed control of an overwhelming majority of saunas and massage parlors in London, sites used for drug distribution, money laundering, and prostitution (Berry, Curtis, Gibbs, Hudson, Karacan, Kollars, & Miro, 2003, 134). Albanian, Russian, and Italian organized crime, heavily involved in prostitution in Greece, also are involved in trafficking weapons through Greece (Curtis & Karacan, 2002). Albanian and Italian groups are not the only crime syndicates taking advantage of this business model.

Asian and Chinese crime groups targeting Canada have made prostitution one of the fastest growing enterprises of organized crime (Helfand, 2003, p 15). Within Canada, Toronto, and Vancouver act as hubs for these enterprises (Collacott, 2006, p. 21). The close proximity and the over five thousand mile border between the U.S. and Canada make it ideal for moving prostitutes between the two countries and into various brothels, both to avoid detection, as well as provide customers variety.

A 2001 raid on San Francisco and Los Angeles brothels discovered an Asian run prostitution ring spanning Malaysia, Thailand, Laos, Toronto, and the U.S.; the women entered the country using fake documents (Helfand, 2003, p. 18). Also in 2001, Royal Canadian Mounted Police (RCMP) broke up a multi-million dollar prostitution ring bringing women into Ontario. From Canada, on boats via the St. Clair River, women entered the U.S. bound for Michigan. From Michigan, they were dispersed to massage parlors across the United States including Los Angeles and New York; more than 1200 Korean and Chinese women have been moved in this manner (Helfand, 2003, p. 19).

Production of fake documents, used to cross international borders, is another specialty of the Asian and Chinese groups engaged in prostitution. In addition to prostitution, the Big Circle Boys, the most active Chinese organized crime group operating in Canada, are also responsible for the largest percentage of fraudulent credit

cards in North America and are active with counterfeit software and microchips (Helfand, 2003, pp. 20–21). In addition, the Big Circle Boys work well with other crime syndicates.

The Big Circle Boys, in addition to working with other Chinese groups such as the United Bamboo Gang, Four Seas Triad, and Wah Ching, also network with Italian organized crime, Vietnamese organized crime, and Hells Angels in the prostitution business (Helfand, 2003, pp. 26–27). Taken collectively, these groups are all involved in prostitution and have cells operating and conducting business in Hong Kong, New York, Boston, Toronto, Chicago, Miami, Houston, Phoenix, Seattle, Los Angeles, San Francisco, and Honolulu.

Within Mexico, it has been reported that the Mexican organized crime group, the Titanium Group, has worked with Russian and Ukrainian crime syndicates operating prostitution rings (within Mexico). One of these groups is the Solntsevskaya gang, based in Moscow (Miro, 2003, p. 29). Other organized crime groups reported to be working in Mexico include Armenian and Albanian; all involved in prostitution, money laundering, and document fraud (Miro, 2003, p. 29).

Russian, Armenian, and Albanian groups have proven expertise in counterfeiting documents such as falsified visa applications. They use those documents to enter the U.S. If they are unable to obtain these documents, the women are smuggled into the United States through Mexico. Once in the U.S., they are forced to work as prostitutes in strip clubs, and massage parlors (Brown, 2009, p. 20).

In 2001, a lucrative Ukrainian ring was broken up; it had been bringing women into Los Angeles and several other American cities for prostitution purposes (Miro, 2003). Others confirm the involvement of Mexican, Russian, Ukrainian, and Japanese organized crime trafficking individuals for prostitution into the U.S. via Mexico (Seelke, 2009).

Mexican criminal organizations have also worked with the Japanese Yakuza crime syndicates moving Mexican women to Japan to work as prostitutes (Miro, 2003). The Yakuza is one of the world's largest and most sophisticated organized crime groups; prostitution is a part of its business portfolio (Okamura & Toyama, 2009). Like the

Japanese, Russian organized crime has also been engaged in moving prostitutes from west to east, acquiring women from places like Brazil for prostitution throughout Europe (Berry et al., 2003). While many organized crime groups engage in the enterprise of prostitution, Russian organized crime almost always enters the discussion.

## **5. Criminal or Terrorist?**

One of the leaders of Russian organized crime has been identified as one of the most dangerous men in the world; Semion Mogilevich (Pinheiro, 2006, p. 14). Sourcing Russian intelligence, Pinheiro writes of a well-established connection between the Russian Mafia and al-Qaeda with Mogilevich being the main point of contact, helping al-Qaeda get whatever they need (2006). In a 1999 interview appearing on BBC's Panorama, the interviewer refers to a Russian Ministry of Interior report that identifies Mogilevich as one of the top crime bosses in Russia, a financier running prostitution, gambling, and money laundering rings. During the same interview, referencing a 1995 FBI report, among Mogilevich's main enterprises are identified arms dealing, trading nuclear material, prostitution, and drug dealing (The Billion Dollar Don, 1999).

During the 1990s, Mogilevich founded YBM Magnex International, a maker of industrial magnets. YBM Magnex incorporated in Canada, had factories in Hungary and Britain and its world headquarters in Philadelphia, Pennsylvania. Its stock price rose 2000 percent as a result of bogus financial records, bribery, and SEC violations. Mogilevich cashed out, defrauding investors out of 150 million dollars (Federal Bureau of Investigation, 2009b). During his 1999 Panorama interview, he is asked about his dealings with YBM and the tremendous evidence of money laundering that investigators uncovered. His response was, "It's up to them to prove it. Unfortunately, I don't have access to the FBI files" (The Billion Dollar Don, 1999). This interview occurred in 1999 on the television news show Panorama in England. Despite the bravado, investigators had enough to bring charges.

In 2003, four years after his interview on BBC's Panorama, the United States indicted Mogilevich for participating in defrauding investors in the stock of YBM Magnex International out of 150 million dollars. Six years after being indicted, the FBI

placed Semion Mogilevich on the FBI 10 Most Wanted List. The announcement also indicated that as bad as the YBM Magnex fraud scam was, Mogilevich's continuing international criminal enterprises, including weapons trafficking, contract murders, and prostitution is believed to be much worse (Federal Bureau of Investigation, 2009b). The following image (Figure 1) is from the announcement; Mogilevich appears right next to bin laden.

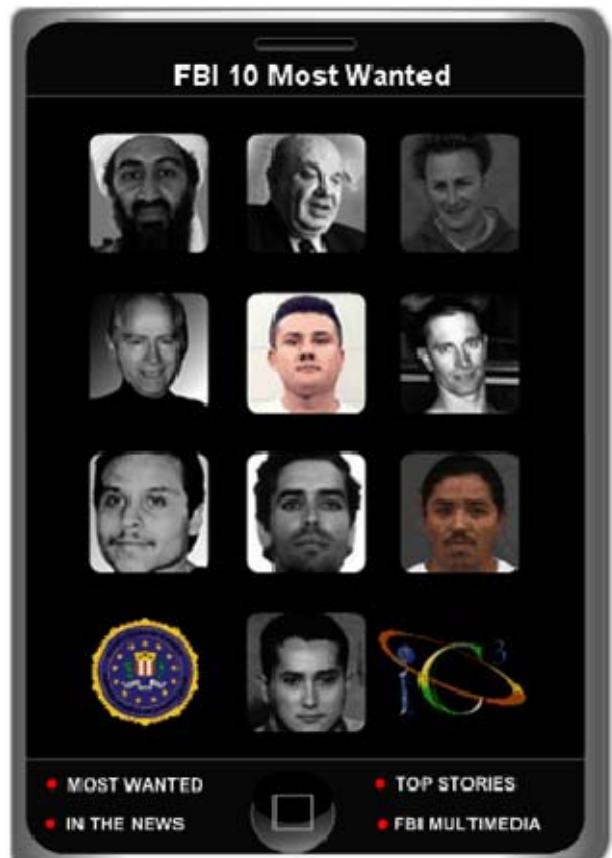


Figure 1. FBI's Top 10 Most Wanted (From FBI, 2009b)

Speaking of Mogilevich, FBI Special Agent Peter Kowenhoven states, "With him, it's all about the money and influence. And the really chilling thing is that he seems willing to work with any criminal regardless of their ideology. . . . Victims don't mean anything to him . . . And what makes him so dangerous is that he operates without

borders” (Federal Bureau of Investigation, 2009b). Others have identified him as the Boss of Bosses within the Russian Mafia (Glenny, 2008, pp. 72–73). Mogilevich is not the only entrepreneur operating in the criminal-terror world.

Dawood Ibrahim is an Indian Crime Boss, overseeing a multi-billion dollar vice organization covering prostitution, gambling, and drugs. He is also a terrorist, having helped mastermind and fund the 1993 Mumbai bombings which killed 247 individuals and injured more than 700. It is believed that the routes he uses to move people and drugs are also used by al Qaeda and bin laden (BBC, 2006; Vardi, 2010). In 2003, the U.S. designated Ibrahim a terrorist supporter; since that time, his whereabouts are not known. Ibrahim and his criminal organization, known as D Company, are known collaborators with al Qaeda and Islamic radical group Lashkar-e-Tayyiba (LeT) (BBC, 2006; Vardi, 2010). LeT is largely thought to be behind the 2008 Mumbai terrorist attack, quite possibly with Ibrahim’s assistance (Vardi, 2010). While believed to be operating out of Pakistan, Pakistani authorities deny this claim. Less famous than Dawood Ibrahim is another individual who has utilized prostitution to fund terrorist activities, Safe Bourada.

Safe Bourada founded Ansar al-Fath (Upholders of Islam) in France and had plans to attack the Paris Metro, Paris-Orly Airport and the Direction de la Surveillance du Territoire (Directorate of Territorial Security) (DST) Headquarters in 2005 (Al-Khiyal, 2008). Bourda, Djamel Badaoui, and seven others were convicted of financing and associating with a terrorist group (9 Convicted, 2008; New York Times, 2008). They financed their network with a criminal portfolio involving prostitution. Bourada, a French Algerian, had previously been convicted and served eight of a 10-year sentence for providing support for bombings conducted by the Algerian Armed Islamic Group (GIA) that terrorized France in 1995 (9 Convicted, 2008; Al-Khiyal, 2008). Thus, similar to the Madrid bombers, we see terrorist using criminal behavior to fund their operations. In Madrid, the crime was drug-trafficking; in this case, prostitution and petty crime served as the funding mechanisms.

Finally, in addition to Mogilevich, Ibrahim, and Bourada, are reports of the Taliban engaging in the sex industry. As the Taliban came to power, they systematically



made women their combat trophies. Women tell of being forced to marry Taliban soldiers, as well as Pakistani and Arab fighters of the Al Qaeda network (McGirk, 2002). Many girls were sold to brothels in Pakistan; taken there with the complicity of Pakistani border guards (McGirk, 2002). Still other reports indicate that many of the Taliban took women as concubines, while others were sold as sex slaves to wealthy Arabs via the al Qaeda network with the monies collected used to fund the cash strapped Taliban (Sullivan, 2001). Reports of these types of incidents are also referenced in the State Department's Country Reports on Human Rights Practices (United States State Department, 2002).

Thus, we have a canvas upon which we can see that prostitution is viewed as a profitable business all around the world and at every social strata imaginable. We see individual business men in Chicago managing street prostitutes, to individual madams managing the women serving Senators and State Department Officials in Washington, D.C. We also see street level gangs like the Somali Hot Boyz, Mission Clique, and Hot Blood Gangs in Minneapolis and San Diego, or the MOBB in Seattle.

Also on the canvas are transnational groups like MS-13, operating prostitution rings in Newark, New Jersey; Charlotte, North Carolina; or Richmond, Virginia. Transnational organized crime groups from all over the world count prostitution as part of their business enterprises. These organized crime groups include but are not limited to: Albanian, Armenian, Chinese, Indian, Italian, Japanese, Mexican, Russian, Serbian, Ukrainian, and Vietnamese. Working with all of these groups in the business is also the Hells Angels Motorcycle Club.

In addition to the profits that exist, there are two other reasons why prostitution remains a favorite of all of these groups. First, as demonstrated by some of those discussed above, it requires no special skills to manage and the cost of entry can be very minimal, especially with the advent of the Internet, which allows for free advertising. Finally, the risk of being caught or prosecuted is minimal and that is what we will explore next.

## **6. Cost of Doing Business (Risk of Being Prosecuted)**

While the U.S. probably has the most expansive legal arsenal meant to criminally prosecute prostitution, in reality a culture of tolerance exists. When the laws are enforced at all, it is the female prostitute who most often feels the impact of our criminal justice system. In Chicago over a two year period including 2001 and 2002, in Police District 14, there were 1999 arrests involving prostitution. Out of the 1999 arrests: 1754 were of prostitutes (88 percent); 234 were johns (12 percent); and 11 were of pimps (less than one percent) (Hughes, 2005). Consistent with the data presented by Hughes, other studies indicate that the incidence of arrests for johns is 10 percent (Monto, 1999).

Some might argue that these numbers are reflective of street prostitution, which is the least common form of prostitution, and are not applicable to others types or venues. That argument seems to be correct. Murphy and Venkatesh cite a study indicating that only 15 percent of all sex workers are working the streets; the other 85 percent ply their trade in their homes, at night-clubs, brothels, hotels, and gang houses; solicitation is accomplished via the Internet or print advertising (2006, p. 137). This creates an invisibility from law enforcement resulting in significantly lower rates of arrest for those engaged in this level of prostitution as opposed to street level prostitution (Murphy & Venkatesh, 2006, p. 141). Referencing the prosecution rates involved with street prostitution, which is minimal, the prosecution of those practicing indoors is even more remote.

These numbers are reinforced by Professor Steven Levitt, University of Chicago, and Professor Sudhir Alladi Venkatesh, Columbia University, who report that the desire to punish prostitutes is lacking and it is lacking even more so for the men who frequent prostitutes (Levitt, 2009). As Levitt states, "I think society has decided that prostitution is not a very grave offense, and it is treated accordingly" (Levitt, 2009, p. 2). Contesting this assertion, law enforcement may point to the more than half a million prostitution related arrests that have been made nationwide between 2001 and 2007, approximately 81,000 per year over that period (Puzzanchera, Adams, & Kang, 2009).

Despite the apparent large number of arrests per year, consider the numbers for a large city like Chicago, where street prostitutes are arrested only once every 450 tricks and only 10 percent of these arrests lead to a prison sentence (Levitt & Dubner, 2009, p. 41). Even more importantly, the risk of a pimp being arrested is even more remote. This suggests that prostitution related arrests really are not that significant considering the numbers actually engaged in the business. Furthermore, while we may not consider it a very grave offense, we consider it even less so for the men paying for the sex; only one john is arrested for every 1200 tricks (Levitt & Dubner, 2009, p. 32). But perhaps most surprising of all is the finding that one in every 30 tricks is a freebie to a police officer in return for avoiding arrest (Levitt & Dubner, 2009, pp. 40–41). While acknowledging this study only speaks to Chicago and should not be generalized beyond that, it does suggest that a street prostitute is more likely to have sex with an on-duty police officer than be arrested by one (Levitt & Dubner, 2009, p. 41).

While the likelihood of prosecution is minimal in the realm of street prostitution, the nature of escort services provided by the likes of the DC Madam are even less likely; out of sight and out of mind means no calls from the neighborhood, no nuisance issues, and no law enforcement. Furthermore, from a law enforcement perspective, investigating, and prosecuting this level of prostitution is time and money intensive (Weitzer, 1999), all of which translates into even fewer prosecutions at this level of prostitution. With little fear of prosecution, buyer and seller are free to do business, but they need to find each other.

## **7. Prostitution and Advertising in Las Vegas**

In Las Vegas, between print, Yellow Pages, and Internet advertising, it is conservatively estimated at least 26 million dollars per year is poured into advertising the business of prostitution (Farley, 2007). This despite the fact that prostitution is illegal in Las Vegas. Nevertheless, according to Senator Mike Schneider, D-Las Vegas, 40,000 prostitutes and 3000 pimps work the strip in Las Vegas (Ryan, 2009). The dollar volume spent on advertising also speaks to the profitability of prostitution. The same kind of

advertising can and is done for free on the Internet all around the world. That is how keen the competition is in Las Vegas for these types of services; plenty of business opportunity.

## **8. Prostitution and Taxi Cabs in Las Vegas**

It is not uncommon for taxi drivers the world over, knowledgeable and successful about their business, to know where the best places are for Italian, Chinese, Japanese, or Thai, food; or whatever craving the passenger might seek to fulfill. The same goes for fulfilling sexual desires, as well; a good taxi-driver will know where to go. Given the competition for business in Las Vegas, as demonstrated by the level of advertising, how does a taxi driver decide where to take a passenger seeking to satisfy his sexual needs? Taxi drivers are part and parcel of the prostitution business in Las Vegas. In 2007, it is estimated that upwards of 50 million dollars was paid to cab drivers in the form of kickbacks for delivering clients to a certain strip club, none of which was reported to the IRS (Farley, 2007, pp. 131–134). Taxi drivers are essential to the prostitution business in Las Vegas; they deliver the clients where they are paid to deliver clients.

Multiple law enforcement sources in Las Vegas have also indicated that Russian organized crime is very active in the Las Vegas taxi business (Farley, 2007). Recall Semion Mogilevich's standing in Russian organized crime and possible links to al Qaeda. Also consider his demonstrated ability to conduct sophisticated money laundering activities from another continent. If indeed the terrorist network needs to launder money, taxi businesses are a proven method (Shelley, 2006, p. 208). The IRA has demonstrated that a terrorist organization can manipulate this business to benefit their organization (Napoleoni, 2009). These facts, considered together, suggest that further studying this connection may have merit in other cities as well.

## **C. SUMMARY**

Pamela Martin Associates, working the D.C. crowd, serviced among others a U.S. Senator and a State Department Deputy. The Emperor's Club, working out of NYC,

served a former U.S. Attorney and sitting Governor of the State of New York. In Chicago, it is statistically more likely that street prostitutes will have sex with an on-duty officer than be arrested by one.

Returning one more time to each of these cities, we see inappropriate behavior from homeland security practitioners. In 2000, Chicago firefighters stood accused of paying for oral sex at a firehouse over several years (Spielman, 2000). In 2004, New York firefighters in the Bronx stood accused of paying for sex at a Bronx firehouse (Lueck, 2004). In 2007, Washington D.C. firefighters stood accused of turning one fire station into a prostitution house (Kirtz, 2007). These cases are highlighted not because they are the norm, but because they involve homeland security practitioners. We will discuss the impact in the analysis portion of the thesis.

Analyzing the specific areas of literature reviewed, not surprisingly, among criminal organizations of every stripe and sophistication, prostitution is a very common enterprise engaged in for revenue and profit making purposes. This applies to a multitude of international organized crime syndicates, as well as transnational and local street gangs. It also appears there is significant evidence and data to suggest that while prostitution is illegal in all 50 states, save a few counties, prosecution of the laws is limited at best.

What is also evident is that for the johns and the pimps, prostitution is almost a risk free enterprise. With little risk of prosecution, johns across the entire socioeconomic spectrum partake in prostitution in satisfying their needs; no one is immune. Finally, much like the literature review on the financing of terrorist organizations, glaring in its absence, is any detailed discussion that prostitution profits could be used to fund terrorism.

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## **IV. PROSTITUTION AS AN ENTERPRISE TO FUND TERRORISM**

### **A. INTRODUCTION**

Virtually every criminal enterprise engages in prostitution. From individual street level pimps to the DC Madam, to street level gang, to transnational gang, to transnational organized crime—they all realize the benefits of this business model. Prostitution is highly profitable, requiring no specialized skill set, little to no cost to entry, with unlimited opportunity. The literature indicates that terrorists are increasingly relying upon revenues from criminal activity to finance their activities. While there is some disagreement as to the extent or nature of the level of collaboration between criminal enterprises and terrorist operations, there is consensus on the fact that both are engaged in criminal activities. Whether the nature of the relationship is a long-term nexus, simply cooperation and short-term convenience, or merely the appropriation by terrorists of criminal behavior, the common thread is still participation in criminal activity. As DNI Blair recently briefed, terrorists are increasingly generating their funds through criminal activity; activity they prefer to conduct themselves (Blair, 2010). If this is true, why would the terrorist eschew prostitution as a fundraising enterprise?

### **B. IDEOLOGY NOT AN OBSTACLE**

Ideology is one reason why terrorists would not be likely to engage in criminal activity such as prostitution. Prostitution is behavior that would be anathema to their ideological beliefs; however, Islamic ideology is hardly supportive of other criminal activities—particularly drug trafficking—yet the terrorists are either able to compartmentalize their activities or arrive at other solutions to this challenge.

From the literature on financing, recall that Shapiro argues that financiers in a terrorist organization tend to be less ideologically committed to the cause than the members of the group for whom they are raising funds (Shapiro, 2005). Thus, the financier is less likely to be conflicted by the criminal enterprises he engages in and

Islamic ideology. Similarly, Picarelli suggests a bifurcation of fundraising mechanisms whereby the operators raise funds from legitimate sources and day to day sustainment funds come from criminal activity (2005, p. 16). Thus, Picarelli's concept would also shield leadership from ideologically unacceptable behavior.

### **C. PROSECUTION NOT AN OBSTACLE**

Furthermore, for those concerned with how the appearance of engaging in criminal activity may impact on support, prostitution is only marginally prosecuted in the U.S. and in many parts of the world not even considered a crime. These are factors a terrorist would consider in conducting the type of risk analysis Picarelli believes terrorists engage in prior to deciding which criminal enterprise to enter (2005). By engaging in that analysis, what is readily apparent to a financier is that this is an ideal business model. Prostitution is capable of generating high levels of revenue with little apparent risk, or even attention from law enforcement.

A studious enemy observing and concluding that prostitution is viewed as a harmless vice and the laws are rarely enforced, might consider this a good fund-raising enterprise. A studious financier could easily conclude that this is a safe, below-the-radar business for raising funds anonymously. If they further observe and understand that even when the laws are enforced, rarely is it the pimp who is prosecuted, this business model looks even more appealing.

The video/photo, depicted in Figure 2, played out on WABC in New York on November 6, 2008 (WABC, 2008). In this photo, the governor of New York has just learned that he will not be prosecuted for soliciting and arranging for the movement of women on multiple occasions from one state to another for the purpose of engaging in prostitution.



## Spitzer not charged in prostitution scandal

Thursday, November 06, 2008



Figure 2. Governor Spitzer Not Charged (From WABC, 2008)

Manhattan U.S. Attorney Michael Garcia indicated:

In light of the policy of the Department of Justice with respect to prostitution offenses and the longstanding practice of this office, as well as Mr. Spitzer's acceptance of responsibility for his conduct, we have concluded that the public interest would not be further advanced by filing criminal charges in this matter. (Hakim & Rashbaum, 2008)

The policy referenced in this quote by the Manhattan U.S. Attorney, is from the Justice Department's manual on how U.S. Attorneys are to carry out their duties; it advises that unless minors are victims, prosecutions should be limited to commercial prostitution activities (Hakim & Rashbaum, 2008). What this says to someone studying the issue is that unless a minor is involved, it is unlikely that a case will be brought regarding prostitution. Between the lines and unspoken, is the fact that there are so many cases just like Mr. Spitzer's that it is rather mundane, and the chances of being prosecuted are very slim.

The U. S. Attorney's Office did prosecute the head of the Emperor's Club, Mark Brener, who eventually pled guilty to conspiracy charges. The business shut down following the Spitzer incident. Certainly law enforcement knew what the business was all about, all one had to do was visit their Web site. Consistent with not attracting the attention of law enforcement and intelligence, the target audience for a terrorist's prostitution enterprise should not be high profile men.

While our federalist system of government is generally regarded as a strength, with respect to prostitution, it becomes part of a gap that allows prostitution to flourish. In the U.S., criminal law enforcement generally falls under the sovereignty of the states. While there certainly are federal criminal statutes and the sex-trafficking laws certainly fall within the realm of the federal crimes code, prostitution is a crime that in the U.S. squarely falls into the realm of state jurisdiction. This is why we have 50 different crimes codes. As a result, more than 95 percent of all criminal cases are prosecuted by state and local governments (National Association of Attorneys General, 2008).

This dichotomy, especially as it relates to the prosecution of prostitution, was highlighted during debate over the 2008 reauthorization of the Trafficking Victims Protection Act (TVPA), specifically a provision in the House Bill that would have effectively transformed all prostitution into federal crimes. In opposition to this specific part of the reauthorization were the Department of Justice (Benczkowski, 2007), National Association of Attorneys General (National Association of Attorneys General, 2008), National District Attorneys Association (Fox, 2008), and the Fraternal Order of Police (Canterbury, 2007).

What they all opposed was an attempt to make a federal offense out of all forms of prostitution. Currently, to attain federal jurisdiction the prostitution must implicate a federal interest such as:

1. The Thirteenth Amendment (slavery), where force, fraud, or coercion would be a required element of prostitution;
2. The movement of prostitutes across state lines; or
3. The involvement of minors in prostitution.

One of these three elements triggers federal involvement and those crimes are prosecuted federally as human trafficking (Department of Justice, 2008).

From 2001 to 2007, there were 342 convictions and 1400 victims identified related to human trafficking (Department of Justice, 2008). These numbers apply to all forms of human trafficking, not just sex trafficking. Given the difficulty in proving force, fraud, and coercion, the Department of Justice touts these numbers as being highly

successful. Over approximately the same period of time, 809 individuals were convicted of transporting prostitutes across state lines (Walsh & Grossman, 2008, p. 5). These are federal prosecutions and do not encompass the vast majority of prostitution related offenses which fall under the jurisdiction of state and local governments. The gap created by our federalist system specific to prostitution is that unless force, fraud, coercion, or a minor is involved, federal authorities are not going to be involved; as for the states, the arrest numbers previously discussed bear witness to the fact that prostitution as a crime is not seen as serious crime. Within this space exists a logical and reasonable opportunity to raise funds via prostitution.

Some in the law enforcement community may take exception with the claim that prostitution laws are not enforced or not treated very seriously by state and local governments. Some claim that existing state and local prostitution laws are diligently enforced (Walsh & Grossman, 2008, p. 4). FBI arrest statistics indicate that over the seven year period from 2001 to 2007, more than half a million arrests have been made involving prostitution; more than 80,000 per year (Puzzanchera, Adams, & Kang, 2009). Even so, historically, only 10 percent are johns and, more importantly, from the perspective of a financier, even fewer are pimps (Monto, 1999). Furthermore, when looking at the likelihood of arrests as compared with other fundraising criminal activities, prostitution is the enterprise least likely to draw the attention of law enforcement. Table 1 consolidates arrest information for various crimes that occurred between 2001 and 2007; the consolidation is that all the numbers have been averaged together for a yearly arrest rate per 100,000 citizens.

Table 1. Likelihood of Arrest by Specific Crime (After Puzzanchera, Adams, & Kang, 2009)

Crime	Arrests per 100,000 citizens
Drug Crimes	590
Theft/Larceny	392
Fraud	102
Burglary	101
Vandalism	96
Motor Vehicle Theft	49
Stolen Property	43
Robbery	39
Forgery/Counterfeiting	38
Prostitution	28

Accordingly, it would seem that a studious potential financier, when determining what criminal activity would minimize exposure to law enforcement and intelligence communities, would come to the conclusion that prostitution affords him or her the highest level of security and anonymity. Likewise, as demonstrated by policing practices nationwide, as well as the Elliot Spitzer case, avoiding young girls as prostitutes and high profile men as clients further increases the likelihood that neither law enforcement nor intelligence communities will pay any attention. Making this enterprise seem even more reasonable as a funding source is the fact that pimps are arrested much less than either prostitutes or johns, thereby, making the likelihood of being arrested for prostitution almost nil. Further contributing to the sense of impunity from the law is the manner and degree with which the business of prostitution is advertised, discussed in the next section.

#### **D. UNLIMITED BUSINESS OPPORTUNITY**

Figure 3, consists of solicitations for escorts/women in Las Vegas. These “baseball” cards are handed out along the strip in Las Vegas by the thousands. They further add to the total impunity sensed by anyone participating in prostitution as a business or considering prostitution as a business. The cards in Figure 3 were all acquired on January 25, 2010 in Las Vegas, Nevada. A conservative estimate places the distribution of these cards at two million a year at a cost of at least \$350,000 (Farley, 2007).




Figure 3. Las Vegas Solicitation Cards, January 25, 2010


In addition to the escort cards, a 2007 review of the Las Vegas Yellow Pages indicated 173 pages and almost 1400 advertisements for “entertainment” or “massage,” in other words, prostitution (Farley, 2007). The estimated cost of Yellow Pages advertising




is at least 12 million dollars a year (Farley, 2007). Figure 4 is illustrative of the millions of newsprint catalogs distributed, advertising full service entertainment. It is estimated that over nine million dollars are spent on advertising in this manner (Farley, 2007).




**ASA**  
**Verified photo**  
height: 5'0  
weight: 98  
body: 33b-22-31  
Barely legal 100% Korean girl. I am a totally nude stripper and I would love to come entertain you. Full Service, No Agency.  
**432-4127**



**CHUN LI**  
**Verified photo**  
height: 5'3  
weight: 103  
body: 34c-25-36  
Wild Chinese girl who loves to entertain gentlemen and couples. I can be to your hotel room in 20 minutes or less.  
**839-4240**



**SUNHEE**  
**Verified photo**  
height: 5'2  
weight: 100  
body: 34b-23-33  
I am a mature Japanese lady who loves to entertain gentlemen. I brought the ancient ways with me from Japan. Available for private entertainment.  
**765-9335**



**MALIA**  
height: 5'4  
weight: 107  
body: 32b-22-33  
I am a Hawaiian native new to Vegas but not new to stripping. I miss the Islands, but I love the excitement of Las Vegas-let me show you how exciting Las Vegas can be- right in your room!  
**259-1898**

**Publishers Note- Disclaimer**

Publisher is not affiliated, makes no guarantees, and accepts no liability regarding the advertisers, their advertising, or their business practices. However, Publisher has terminated, and will continue to terminate any advertisers' ad(s) with too many complaints. So if you have a complaint, you can register it with the Publisher at Complaint Hotline # 839-4217

Publisher places the term "verified photo": **Verified photo** on ads if, when the "Ad Client" placing the ad looks enough like the photo that she has brought in to be placed in the ad where a determination can be made by Publisher that the entertainer can not reasonably be ruled out as not being the girl in the photo. This method of verification reasonably poses a good likelihood that the entertainer is: either the person in the photo or looks very much like her; it does not guarantee it.

Ads that do not say "verified photo" does not of certain mean that the photo is not the entertainer; it means that either the "Ad Client" did not show up in person to place the ad or for some other reason the publisher was not able to verify. In which case, ads without the verification stamp may or may not be the actual photo of the entertainer associated with placing the ad.

Publisher has liberal advertising policies and shall not deny advertising to advertisers without due cause, nor shall Publisher deny due to a politically disfavored activity if advertiser is licensed as such and there is available space to do so.

NOTE: Publisher censors nude photos submitted by clients if not in compliance with public display laws.

**Warranty and representation of advertisers**

All Outcall Entertainer Advertisers warrant and represent to Publisher and thereby to Publisher's readers that all text in association with said Advertisers ad(s) is in context of, and shall be construed only to be in context of, legal services and no other inferences should be drawn therefrom.

08-h/IRM

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Figure 4. Las Vegas Solicitation Catalog Page, January 25, 2010.

The sheer volume of money dedicated to advertising, would signal to a financier that the bright light of law enforcement is not going to be shining on this type of business. Leaving nothing to chance, it has also been estimated that over two million dollars are spent on Internet advertising soliciting for entertainment and massage in Las Vegas. (Farley, 2007). Thus, between print, Yellow Pages, and Internet advertising, it is conservatively estimated at least 26 million dollars a year is poured into advertising the business of prostitution (Farley, 2007).

The postings listed below are further evidence demonstrating the ease of entry into the business, as well as absence of fear for prosecution that those engaged in the buying and selling of sex sense. All of the postings were accompanied with photos highlighting all the attributes the women were selling. It also demonstrates the lack of any particular specialized skills for entry into the business. Some of these women will be sole proprietors and others will be working with or for someone else. Similar advertisements can be found via the Internet for virtually every city in America. Unlike the cost of big time advertising in Las Vegas, for a terrorist entrepreneur, these advertisements cost nothing. The following solicitations, spelling and slang included, were listed in the *Pittsburgh City Paper* over the periods January 21 to 22 and February 4 to 5, 2010:

Let me be our little secret. I love sexy lingerie and the feel of silk all over my 5' 8" 34B-24-34 perfect body. This will be the most pleasurable "GFE" Encounter that you will ever experience. You will be spellbound sweetheart. I promise you! I'm waiting baby . . . Let's go!!! \$300 cash

Hey boys, Im 27, 5'6", 120 lbs, blonde and i have curves like a porn star!! i offer FULL companionship, gf. experience, anything goes, just NO HITTING!! I have my own place we can be alone, or i can come to u. i am indy so its all 1 on 1, i am D&D free, and expect u to be also. Please only respectful professional gentlemen . . NO WEIRDOS!! I love to please and would love to make your dreams a reality!! I am available to meet 24/7 so hit me up i will be waiting for u!!

Here visiting from Chicago!! Beauty and brains in one, I'm Sexy Squirting Foxxxie. Your elite GFE courtesan. Sensual and sophisticated with a PSE squirting twist! A hot and wet time, good to the last drop! Of Puerto Rican, black and French descent I'm sure you don't want to miss.

My reviews will blow you away!! Time with me is always unrushed and the ultimate GFE exxxperience!! 200 Diamonds/half hr, 350 Diamonds/hour. (Pittsburgh City Paper.com, 2010)

Most of the solicitations do include pictures and photographs. GFE stands for girl friend experience, meaning the women providing the sexual services will not treat the purchaser like just another commodity. D & D stands for drug and disease free. Diamonds refers to payment in dollars. Virtually every city in America has a local alternative newspaper—a social newspaper directing people where to go, where to meet, and who to meet for everything from coffee to sexual favors. These papers appear both in hard copy, as well as online. The D.C. Madam advertised in this manner in alternative newspapers throughout the Washington D.C. area. Likewise, Murphy and Venkatesh identify the Internet and papers such as these as the manner in which the majority of women seem to solicit business. (2006). Nationally, Craigslist, despite some protestations, continues to advertise such services; generally its postings are more graphic than the local postings.

Unlike the Yellow Pages or some of the advertising materials found in Las Vegas, these advertisements are free. Aside from the time investment of creating the solicitation, the cost of placing these advertisements is free. Finally, consistent with Picarelli's (2005) assessment that an ideal criminal enterprise should provide plenty of opportunity, the sheer number of these postings across the country demonstrates that the opportunities are endless and they would easily blend in with all of the other entrepreneurs.

#### **E. HOMELAND SECURITY PRACTITIONERS AND GOVERNMENT OFFICIALS**

With endless opportunities, it is not surprising that occasionally homeland security practitioners and government officials become clients, helping, as our State Department has stated to, “form a demand which traffickers [or terrorist financiers] seek to satisfy” (U.S. Department of State, 2008). Recall the police officers in Chicago (Levitt & Dubner, 2009), firefighters in Chicago (Spielman, 2000), firefighters in New York (Lueck, 2004), governor from New York, (United States of America, 2008), firefighters in Washington, D.C. (Kirtz, 2007), and senators and State Department employees also in



D.C. (Duggan, 2008). Regarding this type of behavior, Chicago Fire Commissioner James Joyce stated, “It’s a serious breach in the confidence that we enjoy with the public” (Spielman, 2000). This type of breach is even worse when it is condoned by those in leadership positions. As a Chicago Fire Department spokes person indicated, the captain knew the woman was in the firehouse, but did not take action to stop what was going on (Schmidt, 2000). In addition to creating demand and creating a serious loss of trust, these homeland security practitioners and government employees also created security vulnerabilities.

Remember the FBI’s Top 10 Most Wanted List (Figure 1), pictured right next to bin Laden is Semion Mogilevich, the Russian Boss of an organization mixing the professionalism of the eastern block intelligence services with weapons smuggling and prostitution (Pinheiro, 2006). Even all the way down to the street level pimp and prostitute, intelligence is part of the enterprise. On the streets of Chicago, in addition to taking money for sex, the prostitute also gets paid for “roosting,” serving as a lookout, gathering intelligence and warnings concerning law enforcement (Levitt & Dubner, 2009, p. 19). Homeland security practitioners engaging in this behavior create a legitimate intelligence and security concern. Consider the potential value of information that may be gathered by prostitutes being guided by intelligence professionals from the former eastern block. Terrorists planning a secondary attack on first responders could certainly benefit from knowing who and how those forces might be deployed.

Thus far, we have been analyzing ways in which prostitution, from street to brothel to high end, meets all the criteria of an excellent business model for funding terrorism. The opportunities to get into the business are virtually unlimited. A smooth talking salesman with all the right lines can get into it for almost nothing. Likewise, a DC Madam with a good business sense even has the women calling her to work for her. Eighteen and 19-year old street gangsters and independent entrepreneurs to professional organized crime members and everything in between participate. Even the street pimp in Chicago, adding a few bucks to his factory job brings in \$50,000 (Levitt & Dubner, 2009, p. 40).

The intent of this research was to determine whether or not prostitution could reasonably and logically be used as a funding source for terrorist operations. I believe this research demonstrates that it is plausible and rational to conclude that prostitution could be used in funding terrorism; in fact, it would seem illogical if it were not. While the focus has been on prostitution as a source of revenue, simply identifying emergent criminal business opportunities is not enough, as attention must be paid to points of intersection and interaction between crime and terrorism within the legitimate economy (Shelley, 2008, p. 176).

#### **F. PROSTITUTION AS A FUNDRAISER INTERSECTING WITH LEGITIMATE ECONOMY**

The points of intersection Shelley refers to really become ways to place money earned through prostitution into the legitimate economy where it can be turned over and converted into some other form of value or exchange over and over again to obscure its origin and making it appear as though it was derived in some legitimate manner. As discussed in the section on prostitution, the taxi business is one such intersection connected to prostitution that provides the opportunity for laundering these funds.

Consistent with Shelley's admonition, two other significant nodes surfaced as indicators connected to prostitution where these funds could be laundered; both are worthy of more attention. These nodes include travel agencies and diaspora communities. The importance of these indicators depends upon the type and organization of the terrorist structures we are studying.

For a self-funding network relying on criminal activity, such as the Madrid 2004 bombers, these nodes are less important and may not matter at all. The money being raised is illegal and it is being used to self-fund a cell or operation. Consequently, like the Madrid network, there is no monetary trail to follow. With no financial trail to follow and lack of interest by law enforcement, prostitution is an ideal enterprise for a self-funded, homegrown network. Hoffman believes that al-Qaeda leadership realizes that a networked AQ, including their fundraising operations, is more of a challenge for the West and that this is a deliberately adapted business model (2010, pp. 2, 10). Terrorist

entities are increasingly allowed to pick their targets, strategies, and funding mechanisms (Vardi, 2010). Again, much like the Madrid bombing, this means money does not necessarily need to be laundered. Nonetheless, for terrorist funding requiring international movement or involving extremely large sums of money, these two nodes may serve as more significant indicators of possible terrorist fundraising.

Both have been identified as sources of moving money illegally or for illegal purposes. Travel agencies, filling a gap left by collapsed banks in conflict-torn countries are capable of moving and exchanging large amounts of money for diaspora communities back to the conflict zone. Within these communities are operating gangs engaged in the business of prostitution. As Hess points out travel agencies may both “knowingly and unknowingly” transfer funds to terrorist groups (2007, p. 57). Other travel agencies have been linked to organized-crime and helping women fraudulently gain access into the U.S. to work as prostitutes (Helfand, 2003, pp. 17–18). Thus, operating in the same space, indicators are present that certain travel agencies may be vehicles for laundering money generated by prostitution.

Finally, the 2008 Mumbai attacks link LeT, designated terrorist supporter and prostitution purveyor Daewood Ibrahim, and recently indicted homegrown co-conspirators David Headley and Tahawwur Hussain Rana (Federal Bureau of Investigation, 2009a; Thompson, 2009). Mr. Rana is a Pakistani born Canadian citizen, who operated a travel agency in Chicago. Among other services provided, the travel agency provided immigration assistance to the Pakistani diaspora community living in Chicago (Thompson, 2009). Between 2006 and 2008, Mr. Headley made nine trips to India conducting surveillance and reconnaissance in preparation for the Mumbai attacks. Mr. Rana’s travel agency arranged these trips for Headley and provided his cover story; Headley opened First World Immigration Services in India to serve as cover for his surveillance (Federal Bureau of Investigation, 2009a; Page, 2009). Headley has been charged in the 2008 Mumbai attacks and providing material support to LeT. LeT is also believed to have ties to Ibrahim’s D-Company. While these examples may not be determinative, they are certainly illustrative of a possible wider problem worthy of further consideration.

Another node pointing to multiple possible indicators includes remittances from diaspora communities. To demonstrate this possible indicator, consider the Somali diaspora community in the United States. The Minneapolis law enforcement officer interviewed by Mulligan, indicated that the Somali gangs, which originally were confined to petty crime and drug trafficking have expanded their enterprises and become as proficient as other rival gang groups in the prostitution trade (Mulligan, 2009, p. 78). This community is among the poorest, most uneducated, and economically disadvantaged diaspora communities in the country (Mulligan, 2009, pp. 39–40). More than half of the population under the age of 25 have not completed high school (Mulligan, 2009, p. 40). More than half the population lives in poverty, with a median household income of \$21,461 (Mulligan, 2009). Despite this poverty, Somalia still ranked as the fourth most remittance dependent nation in the world, with the Somali diaspora remitting almost three billion dollars per year (Mulligan, 2009, p. 37).

Failure to meet remittance obligations can result in dire consequences (Mulligan, 2009, p. 37). Furthermore, as the Ohio law enforcement officer interviewed by Mulligan remarked, there is some remittance fatigue; given their own poverty, the constant requests for money are a begrudgingly tolerated burden (Mulligan, 2009, pp. 37–38). Attempts must be made in all diaspora communities to verify that the proceeds of prostitution or any crime are not being laundered through legitimate charities. Once the remittance is made, as Hess points out, some of the money wittingly or unwittingly may end up in the hands of terrorist or insurgents (Hess, 2007).

## **V. FINDINGS AND RECOMMENDATIONS**

### **A. PROSTITUTION AS A FUNDING SOURCE FOR TERRORISM**

This thesis set out to determine if prostitution as a business enterprise is being used as a funding mechanism for al-Qaeda or any of the affiliated or inspired terrorist groups. It also set out to determine if it is reasonable or logical to conclude that prostitution could be used as a funding mechanism for al-Qaeda. The answer to those respective questions is possibly and definitely. The case of Ansar al-Fath in France suggests that a small home-grown French cell used prostitution to fund their operations. Furthermore, the case of Daewood Ibrihim, a definite purveyor of prostitution, indicates that he funded and masterminded the 1993 Mumbai bombings which killed almost 250 and wounded another 700 (BBC, 2006). He may also have provided funding for LeT as they carried out the 2008 Mumbai attacks which killed at least another 173 and wounded more than 300 (Vardi, 2010). Finally, consideration must be given to the case of Semion Mogilevich and his connections with prostitution, Russian organized crime, and terrorism. The extent to which money from these prostitution ventures contributed to terrorist enterprise is not known. What is known, is that members of Al-Fath are currently in prison for terrorist activity; Ibrihim is most likely hiding out somewhere in Pakistan, and Mogilevich is somewhere in Russia on the FBI's Top 10 Most Wanted List.

What is also certain is that terrorist organizations are increasingly relying on criminal enterprises to fund their activities. As to which criminal enterprises they may choose to enter, Picarelli offers a template for which prostitution is the ideal business (2005). Overlaying this template with the enterprise of prostitution, it becomes clear that in fact it is quite reasonable and logical to conclude that prostitution could be used quite successfully to fund terror activities. Adding credence to this conclusion is that virtually every other criminal enterprise engages in prostitution. From individual street level pimp, to DC Madam, to street level gang, to transnational gang, to transnational organized crime, they all realize the benefits of this business model. Prostitution is highly profitable, requiring no specialized skill set, little to no cost to entry, and has

unlimited opportunity. On top of all that, it is a crime that systemically, law enforcement, prosecutors, and courts do not consider a serious crime, rather a harmless vice. Accordingly, the system marginally enforces the laws related to prostitution.

Given all of this, not only is it logical and reasonable to conclude that prostitution could be successfully used as a funding source for terrorism; it would seem illogical and unreasonable if it were not. If terrorists are not already using prostitution as a funding source or at least studying the possibility of using prostitution to raise money, then they may be the only ones not taking advantage of this enterprise. Thus, having concluded that prostitution could reasonably and logically be a funding source for terrorism, then what are the best ways to increase the cost of engaging in prostitution, thereby reducing the funds that go along with the business?

## **B. REDUCING THE RISK**

Napoleoni suggests that terrorism is all about economics (2009). Consistent with that theory, analysis of economists and financial experts' recommendations suggests that increasing the cost of doing business (prosecuting pimps) and reducing demand (prosecuting johns) would be the most effective tools for reducing the enterprise of prostitution (Kara, 2009; Levitt & Dubner). Further analysis of Kara's work suggests that in addition to increasing prosecutions, shortening the duration of time that women are engaged in prostitution is most effective at increasing the cost of doing business for the prostitution entrepreneur (Kara, 2009, p. 215).

The problems presented by prostitution are very complex; it is a matter that cannot be simply given to law enforcement, or the courts, or social workers to be solved. It is impossible to determine that any given solution will work and it is unlikely that any solution will eliminate the prostitution completely. The problem is transnational, knowing no jurisdictional boundaries and combining complex social and psychological behaviors and interactions. This challenge requires consideration of the systems involved in addition to personal dispositions and situational forces (Zimbardo, 2007, p. 10).

While there are plenty of examples, let us consider the homeland security practitioners and government leaders referenced in this paper who have solicited prostitutes to help explain Zimbardo's systems philosophy. Zimbardo notes that when service professionals, such as policemen, firemen, senators, or governors engage in criminal, immoral or aberrant behavior we label them as a few bad apples. This is the dispositional view of behavior; the impermeable line separating good from evil (Zimbardo, 2007).

Homeland security and law enforcement would be easy if there truly existed people who were only evil; we would simply eliminate them. But this is not the case. Good and evil resides in each and every one of us; this concept goes back to the beginning of man (Zimbardo, 2007). This dispositional approach fails to take into account what it was about the apple barrel, what situations and circumstances impacted upon the police officers, firefighters, and politicians that made them engage in that behavior (Zimbardo, 2007). Behavior that Zimbardo teaches us we can all be susceptible to when caught up in the crucible of every day life (Zimbardo, 2007, p. 211). But even this is not sufficient to explain what drives individuals to do things that are harmful to themselves or others.

It is systems, in the case of prostitution, the criminal justice, law enforcement, and judicial systems that help create the situations whereby public servants referenced here afloat. Systems authorize and institutionalize permission to behave in certain ways follow certain rules and not enforce others. It is a systems analysis of human behavior that explains a lot of the behaviors and choices associated with everyone involved in the prostitution enterprise. Why do ordinary people get transformed into intentionally engaging in treating other human beings as property, demeaning, dehumanizing, and harming other human beings? Why do ordinary people get transformed into voluntarily submitting themselves to being treated as property or dehumanized?

Zimbardo's "Ten Lessons from the Milgram Studies: Creating Evil Traps for Good People," offers some of the clearest insights into why some individuals engage in these behaviors and the transformative behaviors they engage in that allow them to continue (Zimbardo, 2007, pp. 273–275). Zimbardo discusses prearranging some form of

contractual obligation; the D.C. Madam claimed that the women she contracted with agreed not to engage in only illegal sexual activity with clients, intercourse, or oral sex (ABC News, 2007). This was the Madam attempting to diffuse her liability (Zimbardo, 2007). Consistent with giving participants meaningful roles, we see the prevalence and premium paid for the GFE (girl friend experience) in the on-line advertising. We see what Zimbardo calls the deindividuation or anonymity of the participants; purchasers of sex are “johns” who do not use their real names or the D.C. Madam and her “employees” who all used pseudonyms (ABC News, 2007; Zimbardo, 2007, p. 298).

Other traps for good people are replacing unpleasant reality with desirable rhetoric, as well as offering acceptable justification to achieve a desirable goal (Zimbardo, 2007, pp. 273–274). The D.C. Madam stated, “I think I ran a very nice operation. . . . I think I empowered a lot of women. I got a lot of women through graduate school. I think the people that used the service were by and large quite pleased” (ABC News, 2007).

Likewise Zimbardo (2007) points out that, the use of drugs, alcohol, or even the high/thrill from engaging in such behavior creates a super-charged present time focus that leads to a suspension of self-monitoring and regulation increasing the likelihood of violence or evil (Zimbardo, 2007, p. 305). All of these scenarios are seen regularly in prostitution. Citing work done by Albert Bandura, Zimbardo (2007) explains how a single dehumanizing word, “animal” led otherwise “good” people to treat others as if they deserved to be harmed. This helps explain why those labeled “slut” or “crack whore,” or even just “hooker” become the frequent targets of violence. Bandura’s work also helps explain the violence against prostitutes, in that those who are violent with the “crack whore” will become more violent over time (Zimbardo, 2007, pp. 17–18, 308–310).

As we have seen from Levitt and Kara, they believe that attacking the demand is the most effective way to reduce prostitution and or trafficking. If it is reasonable or logical that prostitution could be used as a mechanism to fund terrorism, then reducing the amount of prostitution requires attacking the problem at the systemic, situational, and individual levels. Zimbardo believes the most significant contributors to harmful human



behaviors are systemic forces (2007). Systemic forces further drive situational forces that ultimately lead to undesirable actions. Beginning at the systemic level, it is the criminal justice and legal systems we need to address.

Prostitution is illegal in all 50 states, save for a few counties. A review of criminal codes indicates that there are collectively, more than 200 state and federal laws on the books. As previously demonstrated, the extent to which those laws are enforced against anyone is haphazard and minimal at best. Therefore, the first part of systemic change is enforcement of the law. Secondly, when the law is enforced, it needs enforced fairly and equitably. These systems must decide to change the way they are doing business, otherwise they are institutionalizing and authorizing the type of behavior exhibited by the governor of New York, as well as the business of prostitution.

Devon Brewer and colleagues have presented evidence suggesting that arresting clients (merely arresting them and enforcing the law) substantially decreased patronizing behavior. Arresting clients, the johns reduced the likelihood of recidivism by 70 percent (Brewer, Potterat, Muth, Roberts, Dudek, & Woodhouse, 2007). The authors of this study suggest that arrest may be a significant deterrent because the clients are otherwise law-abiding men (Brewer et al., 2007, p. 13). Changing the system deterred otherwise good men from engaging in harmful behavior.

If we are to seriously reduce demand, we need to enforce the law and do so fairly by arresting and prosecuting the johns and pimps at least as much as we do the prostitutes. Doing so is consistent with Kara's concept of increasing the risk of being caught, thereby increasing the cost of doing business for the financier (2009). By enforcing the laws and enforcing them equally and fairly, the system allows for conditions that lead to situational changes.

The situational change is accomplished by enforcing the laws within the framework of enforcing them equally and fairly, and enforcing the laws within the concept of a specialized court system; special "Prostitution" Courts. Two examples of these courts in action are found in Pittsburgh and Dallas. In Pittsburgh, the legal,

judicial, and law enforcement system operates the Program for Re-Integration, Development, and Empowerment Court (PRIDE) (Banks, 2006). In Dallas, the system operates the Strengthening, Transition, and Recovery Court (STAR) (Feldman, 2010). The PRIDE and STAR Courts are examples of programs that help prostitutes who want a different life and are willing to work for it.

These courts combine the court systems ability to punish with social services ability to rehabilitate. The system has developed an exit strategy for the prostitutes; handing down alternative sentences (not jail time) and making available to them medical, psychological, treatment, and job training, whatever they might require (Feldman, 2010, p. 2). These courts are a sea change in the way the justice system views prostitutes (Feldman, 2010). These courts are consistent with Kara's concept of reducing the duration women are in the business, thereby increasing the cost of doing business for the terrorist financier.

In Pittsburgh, over the five year period the court has been in existence, for women who successfully complete the program, the recidivism rate is just five percent (Feldman, 2010, p. 6). In Dallas, over the first two years, the recidivism rate is 10 percent (Feldman, 2010). These programs, as successful as they are, would not be possible without systemic changes in attitudes and operations. Finally, having suggested systemic and situational approaches to increasing the cost of engaging in prostitution, several individual approaches deserve mention.

In San Francisco, the First Offender Prostitution Program (FOPP) is designed and targeted at reducing demand for prostitution by educating men arrested for soliciting prostitutes about the harmful consequences of prostitution. The FOPP curriculum includes: the legal consequences of a subsequent arrest and vulnerability of being robbed while involved in prostitution; description of the increased risk of HIV and STD infection and possible negative long-term health effects; negative consequences for women serving as prostitutes; dynamics of pimping, recruiting, and trafficking, as well as links between prostitution and trafficking; negative impact on the community; and whether or not participation in prostitution is driven by a sex addiction and where to seek treatment. (Shively, Jalbert, Kling, Rhodes, Finn, Flygar et al., 2008).

The FOPP program is the result of collaboration between the San Francisco District Attorney's Office (SFDA), the San Francisco Police Department (SFPD), and the non-profit organization, Standing Against Global Exploitation (SAGE). Arrestees are given the choice of paying a fee and attending the one-day FOPP class or being prosecuted. The fees support the cost of the FOPP classes, subsidizes police vice operations, and recovery programs for prostitutes (Shively et al., 2008).

Criminologist Michael Shively has studied this program for two years and concluded that FOPP significantly reduced recidivism among men arrested for soliciting prostitutes. It is possible this effect is a result of merely arresting the johns, but the two go hand in hand. They do not participate in FOPP until they have been arrested. Furthermore, as Shively has reported, the program has operated for 12 years at no cost to taxpayers and generated more than a million dollars for support and recovery of women wishing to quit prostitution. (2008). Shively also concluded that the program is highly transferrable to other cities across the country (2008). In conjunction with their PRIDE and STAR courts, Pittsburgh and Dallas also run programs similar to FOPP.

Dallas also runs an innovative program aimed at preventing runaways from entering prostitution and helping them get out of prostitution if involved (Urbina, 2009). Urbina reports that nearly a third of minors who runaway engage in sex for food and shelter, which easily leads into prostitution. In 2005, Sergeant Byron Fassett created the "High Risk Victim" unit in Dallas, Texas; the challenge was to prevent young runaway girls from becoming prostitutes (Urbina, 2009). Part of the problem was that law enforcement did not view this as a crime but rather a nuisance and prosecutors refused cases against pimps because the girls made poor witnesses and unsympathetic witnesses (Urbina, 2009). Fassett realized the system was broken.

Reviewing old cases, a pattern emerged; Fassett discovered that 80 percent of the minors being prostituted had run away at least four times (Urbina, 2009, p. 5). His program aims to intervene before an individual runs away for the fourth time. If a Dallas juvenile runaway is picked up anywhere in the country, they are sent back to Fassett's unit (Urbina, 2009, p. 5). The impact of intervening at this stage is that 75 percent of the

minors they reach get whatever help they need and do not return to prostitution. Furthermore, more than nine out of 10 pimps arrested in these cases are convicted (Urbina, 2009, p. 6).

Thus, Fassett fixed the system, changed the girls' situation, and helped them individually. This program increases the cost of engaging in prostitution as an enterprise, as well as shortening the duration young girls engage in prostitution or even prevent them from entering in the first place. While a smart financier would avoid the young girls in the first place, once the young girl becomes involved in prostitution, child welfare workers and law enforcement officials indicate it becomes very hard to escape (Urbina, 2009, p. 1).

This program has been so successful at stopping runaways from entering prostitution and helping them escape from prostitution, that Congress proposed 55 million dollars in the 2007 federal budget to run pilots in other cities around the country; this money did not make it through the budgetary process (Urbina, 2009). This concept needs to be revisited, piloted and studied to further determine its efficacy.

### **C. WHAT IF PROSTITUTION IS NOT A HOMELAND SECURITY ISSUE?**

What if it is determined that prostitution is not a homeland security threat, but merely a criminal concern? Should the policies discussed above still be implemented? The most effective homeland security measures are ones that provide derivative benefits to other private and public sectors (Flynn, 2005, p. 168). The systems policy approach introduced here, reducing demand for prostitution by increasing the risk and cost of being prosecuted, combined with shortening the duration or preventing altogether women from entering prostitution, increases the cost to the financier looking to get into the business.

If however, prostitution is merely a criminal concern, these policies should nevertheless be implemented. They do provide derivative benefits to the public at large. The high risk victim unit in Dallas does rescue and prevent young girls from becoming prostitutes. It does provide health and social services that these individuals would not otherwise get. Likewise, the PRIDE court in Pittsburgh and the STAR court in Dallas provide an exit strategy and all the resources needed for women who want a different life

and are willing to work for it but need a hand. The legal, judicial, and law enforcement systems prosecuting the johns impacts the system tremendously; arresting the johns provides a significant deterrent (Brewer et al., 2007, p. 13). The FOPP program, as well as the PRIDE and STAR, courts are also a more efficient use of legal and judicial resources, not requiring costly incarcerations; though some will appropriately require incarceration.

Finally, there is a benefit when the laws of a nation are enforced and enforced fairly. Sometimes, the benefits may not be immediately noticeable, For example, reflect for a moment on pro-al Qaeda Yemeni Cleric Anwar al-Awlaki. He first came to the FBI's attention in 1999, for possible links to convicted terrorist Sheik Omar Abdel Rahman. Downplaying any link, the FBI terminated their investigation and interest of al-Awlaki in 2000 (Ragavan, 2004).

Following 9/11, investigators again became interested in al-Awlaki; linking him to at least four involved in the 9/11 plot, including three who crashed into the Pentagon. FBI investigators discovered that he had twice been arrested in San Diego for soliciting prostitutes in 1996 and 1997 but did no jail time on either occasion (Ghosh, 2010; Ragavan, 2004). In 2002, al-Awlaki lived in Falls Church, Virginia. Now, hoping to detain him on something, FBI agents observed al-Awlaki taking Washington D.C. area prostitutes into Virginia. They contemplated arresting him using the Mann Act for transporting prostitutes across state lines (Ragavan, 2004). Before they could do that, al-Awlaki left the country in March 2002.

In addition to four of the 9/11 plotters, al-Awlaki has been directly linked or inspired through his preaching and e-mails Umar Farouk Abdulmutallab, Major Nidal Milik Hassan, Michael Finton, four of the 2005 London Underground bombers, and al-Qaeda in the Arabian Peninsula leader, Nasser al-Wuhaysi (Ghosh, 2010). There are most certainly others. A missile attack on al-Awlaki's home on Christmas Eve 2009 failed its intended effect (Ghosh, 2010). Currently, al-Awlaki is an individual that U.S. counter-terrorism officials in our government would like to see dead (Ghosh, 2010). In all likelihood, he is the focus of spy satellites and predator drones (Ghosh, 2010). Perhaps had we treated prostitution as more than a harmless vice, al-Awlaki would not be the rock star motivator of radical Islam that he is today.

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